

From: Jeff Napper [REDACTED]
Sent: Wednesday, February 24, 2021 1:54 PM
To: Cruz, Milton@DFPI [REDACTED] Kwon, Eric@DFPI [REDACTED]
Subject: FW: Notice of Modifications to Amended Regulations: California Credit Union Law (PRO 09-17)

Hi Milton and Eric,

First of all, I trust you both are doing well and staying healthy.

In reviewing this email below from the State DFPI under the second link, Proposed Modified Text, I wanted clarity on a credit union's ability to invest funds in a commercial bank insured by the Federal Deposit Insurance Corporation (FDIC). Specifically, I call your attention to page 10 (5) and page 11 (2) which appears to strike language allowing funds in a commercial bank?

As you both probably know, we have had a banking relationship with [REDACTED] since our inception in 1935. Our board approved current Credit Union Investment Policy allows for our credit union to invest up to [REDACTED] of our net capital in either the [REDACTED] or [REDACTED]. We have laddered CD's with [REDACTED] for [REDACTED] out to 5 years in maturity earning [REDACTED] and also have overnight Repo funds with them for liquidity purposes. Plus, our credit union's corporate checking account is with them as well and we have both benefitted from this 85+ year relationship.

I was concerned with the strikethroughs in these sections referenced in my first paragraph and trusting that we can continue to invest funds with [REDACTED] as a part of our board approved Investment Policy. Please advise at your earliest convenience.

Best regards,

Jeff



Jeff Napper | President & CEO

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