

From: Jeff Napper
To: [DFPI Regulations](#)
Subject: Proposed Changes to California Credit Union Law - PRO 09-17
Date: Thursday, February 25, 2021 3:41:13 PM
Attachments: [image001.jpg](#)

To Whom It May Concern,

In reviewing the proposed changes to the California Credit Union Law we have some specific concerns with some of the language that is being stricken or deleted.

Specifically, I call your attention to page 10 (5) and page 11 (2) of the Text of Proposed Rulemaking which appears to strike language allowing deposits as Credit Union Investments in a national or state bank or another credit union.

Currently, as allowed under our Board of Directors Investment Policy we have deposits in both another credit union and a California State Chartered Bank.

We have had [REDACTED] Credit Union in Santa Ana, California for many years since their inception to help them get started in providing much need financial services to people living in that community.

Secondly, we have had an 85+ year banking relationship with [REDACTED] since our credit union's inception in 1935. Our Board approved Investment Policy allows our credit union to invest up to [REDACTED] of our net capital in either the [REDACTED]. We have multiple certificates of deposit with [REDACTED] and overnight Repo funds with them for liquidity purposes. We are earning much more in our [REDACTED] overnight Repo account compared to the 0.10% we can currently earn from the Federal Reserve Bank for overnight funds. Plus, our credit union's corporate checking account is with them as we and we have both benefitted from this 85+ year relationship.

Perhaps, this language is being stricken here in this section and yet in another section deposits in other financial institutions such as banks or other credit unions is allowed elsewhere. I trust that is the case. Otherwise, we are very concerned with the proposed strikethroughs in these sections referenced above in the first paragraph and the wisdom or rationale for doing so.

Therefore, we request that it be made clear that credit unions can continue to invest funds in national and state chartered banks and other credit unions subject to the limits defined in their own Credit Union's Board approved Investment Policy. This is even more important today to have these investment options when we are currently experiencing significant deposit growth during this pandemic.

Sincerely,

Jeff



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