October 15, 2014

TO ALL CREDIT UNIONS:

This letter clarifies a requirement in Wisconsin Administrative Code DFI – CU 68.

DFI-CU 68.06 (2) was recently updated regarding authorized depository financial institutions. The code states:

“A credit union may invest in deposit accounts of any authorized depository financial institution, provided the aggregate investment per institution shall not exceed the greater of the deposit insurance limit under federal deposit insurance corporation or ½ the unimpaired balance of the credit union’s regular reserve unless the director of credit unions approves investment by the credit union exceeding this amount.”

This section was updated to allow the director to approve investments over the limit. In the past, the Office of Credit Unions has not enforced this limit in regards to deposits at Corporate Central Credit Union; a state-chartered, federally insured financial institution under the supervision of OCU. This letter formally approves credit unions to invest amounts at Corporate Central Credit Union that exceed the limit.

Deposits in any other authorized depository institution are allowed as stated above and approval is needed for amounts invested over the limit.

All credit unions are expected to conduct due diligence when investing funds in any financial institution or investment vehicle. Investment policies should clearly state authorized investments; be appropriate for the size and complexity of a credit union and be reviewed by the Board of Directors annually.

If you have any questions regarding this, please contact the Office of Credit Unions at 608-261-9543.

Sincerely,

Kim Santos
Director
OFFICE OF CREDIT UNIONS