



**Department of Business Regulation**  
***Banking Division***  
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## **Banking Bulletin 2019-1**

**CLARIFICATION ON REQUESTS TO INVEST IN/ PURCHASE/ OR  
PARTICIPATE IN NON-MEMBER LOANS PURSUANT TO  
R.I. GEN. LAWS § 19-5-15(3)(iv)**

The following is intended as clarification on the Divisions' position concerning participation of state-chartered credit unions in non-member loans. In accordance with R.I. Gen. Law § 19-5-15.11(b)(3), the aggregate of the unpaid balance of eligible obligations purchased under paragraph (b) of this section shall not exceed five percent (5%) of unimpaired capital and surplus of the purchaser.

*Unimpaired capital and surplus* is defined as shares plus post-closing, undivided earnings. This does not include regular reserves or special reserves required by law, regulation or special agreement between the credit union and its regulator or share insurer.

It is the position of the Division that credit unions should adhere to this definition as defined in [12 CFR 700.2\(f\) \[gpo.gov\]](#) when determining the allowable balance of eligible obligations purchase under R.I. Gen. Law §19-5-15.11(b).