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NATIONAL CREDIT UNION ADMINISTRATION

Washington, D.C. 20456

March 29, 1989

Office of General Counsel

Walter H. Hotz, Esq.
Hotz & Associates, P.C.
Suite 150
11 La Vista Perimeter Office Park
Tucker, Georgia 30084

Re: Requirements for Certificates of Authority To Do
Business in the Various States (Your February 22,
1989, Letter)

Dear Mr. Hotz:

You have asked whether Federal credit unions (FCU's) are required to obtain a certificate of authority from a state in order to conduct business in that state. As an example of the type of statute about which you are inquiring, you provided us with a copy of Georgia statute O.C.G.A. 14-2-310, which requires foreign corporations to register with the state prior to transacting business in the state. Our review of O.C.G.A. 14-2-310 indicates that it does not apply to credit unions. O.C.G.A. 7-1-635.1 specifically applies to credit unions organized in a state other than Georgia transacting business in Georgia. It does not apply to FCU's. You may wish to confirm this with the State of Georgia.

We are unable to make a determination on whether FCU's are required to obtain certificates of authority in states having a statute similar to Georgia's. Each state statute would first have to be reviewed to determine its applicability to FCU's before the issue of Federal preemption could be reached.

ANALYSIS

Georgia statute O.C.G.A. 14-2-310 provides, in part:

(a) No foreign corporation shall have the right to transact business in this state until it shall have procured a certificate of authority to do so from the Secretary of

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State, except that when another statute of this state requires foreign corporations of a particular class to qualify thereunder to transact business in this state the requirements of such other statute shall govern. . . .


O.C.G.A. 7-1-635.1 specifically addresses credit unions organized under the laws of another state that are operating in Georgia. O.C.G.A. 14-2-310 therefore appears inapplicable to credit unions. O.C.G.A. 7-1-635.1 provides, in part:

(a) A credit union organized in another state may conduct business and establish a place of business in this state with the approval of the department. The department must find that the out-of-state credit union:

(1) Is a credit union organized under laws of a state other than the State of Georgia or of the United States, which state grants similar authority to credit unions organized under the laws of this state

O.C.G.A. 7-1-635.1(a)(1) excepts FCU's from its coverage.

Sincerely,



HATTIE M. ULAN
Assistant General Counsel

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