



## *Department of Banking and Finance*

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*Sonny Perdue*  
*Governor*

*Robert M. Braswell*  
*Commissioner*

November 15, 2007

Cindy Connelly  
Senior Vice President of Association Services  
Georgia Credit Union Affiliates  
6705 Sugarloaf Parkway, Suite 200  
Duluth, Georgia 30097

Dear Ms. Connelly:

You recently inquired as to the legal permissibility of a Georgia state chartered credit union accepting and retaining shares of VISA Inc. stock. Our understanding is that Visa Inc. will be issuing common stock to members of VISA U.S.A., which will become a subsidiary of VISA Inc. as a part of this restructuring and its members will receive stock in VISA Inc. on the basis of fees that a member has generated in the past. Our understanding is that members will not provide any consideration to VISA Inc. for these shares of stock.

As you are aware, the laws and regulations of the Department of Banking and Finance do not normally permit a financial institution, including a credit union to hold shares of equity securities for investment or speculative purposes.

Georgia statutes do permit under O.C.G.A. §7-1-650(4)(E), credit unions to invest in "any other types of investments authorized by the Department, including commercial paper, provided such investments shall not, in the aggregate, exceed 10 percent of the shares, deposits and surplus of the investing credit union. In lieu of the foregoing limitation, any credit union may invest up to 15 percent of its equity capital as defined by the Department in authorized investments issued by any single obligor."

The Rules of the Department of Banking and Finance in 80-2-9(c)(7) also provide for investment in "Such other securities as the Department may approve and subject to such limitations as the Department may specify upon a finding that the securities are marketable under ordinary circumstances with reasonable promptness, at a fair value."

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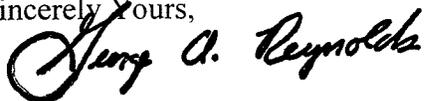
In practice, the Department has permitted financial institutions to invest in certain entities that provide financial services or are otherwise closely related to banking with Department approval, such as owning stock in the Federal Reserve, the Federal Home Loan Bank of Atlanta or in the case of credit unions, owning stock in Credit Union Service Organizations (CUSOs) that provide services to credit unions or their members. Additionally, in this particular situation, we have been informed that the financial institutions receiving this stock will be receiving these shares in kind, without any consideration being paid for these shares. Ownership of such shares is considered incidental to the provision of financial services to credit union members.

Therefore, the Department shall take no exception to any Georgia state chartered financial institution, including Georgia state chartered credit unions from receiving and holding shares of VISA Inc. Stock, subject to the following conditions:

1. That this transaction shall be consummated substantially as proposed to the Department of Banking and Finance.
2. The continued investment in these shares by credit unions shall be subject to the provisions of O.C.G.A. §7-1-650(4)(E) and Rule 80-2-9(c)(7). Any credit union that appears to exceed these limitations, (which would appear unlikely to occur), should contact the Department regarding investment under parity provisions.
3. Any further investments in VISA Stock, other than shares of stock received in kind without consideration being provided by the credit union, stock dividends received or cash dividends reinvested in additional shares of stock, will require the approval of the Department.

I trust that the foregoing is responsive to your request; however, if there are further questions regarding the ability of a Georgia State chartered credit union to hold shares of VISA Inc. stock, please give me a call at (770) 986-1629.

Sincerely Yours,



George A. Reynolds, CFE, CPA, CEM  
Senior Deputy Commissioner