

OFFICE OF FINANCIAL INSTITUTIONS

OFI BULLETIN

BL-01-2012
January 5, 2012

[Replaced Bulletin BL-04-2003]

TO: THE CHIEF EXECUTIVE OFFICER/MANAGER

FROM: SID SEYMOUR, CHIEF EXAMINER

SUBJECT: POLITICAL CONTRIBUTIONS BY STATE-CHARTERED FINANCIAL INSTITUTIONS

On August 6, 2003, OFI issued BL-04-2003, containing guidance with respect to the authority of state-chartered financial institutions to make political contributions to candidates. Following discussions with representatives of the Louisiana Bankers Association, we agreed that our previous interpretation was too restrictive. As a result, we have decided to update our earlier guidance by removing our interpretation of the provisions contained therein.

Pursuant to Title 18, Section 1481, et seq., the Campaign Finance Disclosure Act (Act) allows state-chartered financial institutions to make political contributions to candidates in state elections. The Act provides that a state-chartered financial institution may make a political contribution in the same manner as a commercial corporation, up to certain limits depending upon the nature of the election, i.e., state-wide, district-wide, or local, and under certain guidelines. Specifically, LSA-R.S. 18:1505.2(F) provides the following:

F. No profit or nonprofit corporation, labor organization, or trade, business, or professional association shall make any campaign contribution or expenditure unless specifically authorized to do so whether: by the vote of the board of directors of the corporation, of the executive board of the labor organization or of the trade, business, or professional association at a regular or special meeting thereof; by the president, vice president, secretary, or treasurer of a corporation or labor organization whom the board has specifically empowered to authorize such contributions or expenditures, or, for a corporation, by any other person designated by resolution of the board of directors of a corporation to authorize contributions or expenditures; or by a vote of the membership of the labor organization. No profit or nonprofit corporation, labor organization or trade, business, or professional association shall make any contribution or expenditure, other than an in-kind contribution or expenditure, except by check.

Political Contributions

BL-01-2012

January 5, 2012

Page 2 of 2

As stated in our previous guidance, it has been the longstanding position of this office that state-chartered financial institutions may make a loan to a political candidate when made in accordance with applicable state and federal banking laws and in the ordinary course of business. Although political contributions are authorized for state-chartered financial institutions under the Act, you may want to have your legal counsel review the provisions of the Act prior to making contributions to ensure that your financial institution is in full compliance with provisions contained therein. If there is any doubt, we would urge you to contact the Louisiana Board of Ethics at 1-800/842-6000. You may also visit their website at www.ethics.state.la.us.

This bulletin will also be posted on OFI's website www.ofi.la.gov. If you have any questions, please contact me directly at 225/925-4675 or sseymour@ofi.la.gov.