



## ***DCU BULLETIN***

***Division of Credit Unions***

***Washington State Department of Financial Institutions***

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July 2, 2008 (Revision to correct meeting dates made on July 25, 2008)

No. B-08-07

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### ***July and August 2008 Meetings on Fee Increase***

The Division of Credit Unions (Division) will hold two meetings for stakeholders to discuss the proposed asset assessment and hourly fees that will increase on January 1, 2009. These meetings are a continuation of the Division's rule-making process to increase fees charged to credit unions.

- On **Tuesday, July 22, 2008 beginning at 2:00 pm and ending before 4:00 pm**, an informal meeting of stakeholders will be held at the Department of Financial Institutions Room 319, and the proposed fee increase will be discussed. You may attend the informal meeting in person, or by teleconference by dialing 1-877-298-8255, conference ID 7009517#.
- On **Wednesday, August 27, 2008 from 10:00 am to noon** at the John A. Cherberg Building, Hearing Room 3, 305 15<sup>th</sup> Avenue, Olympia, WA 98504, a formal public hearing will be held on the proposed rule. A map is available at <http://www.ga.wa.gov/images/campus-map.pdf>.

As background, in November 2007 the Division filed a "CR-101 Preproposal" to begin the rulemaking process of a much-needed fee increase. The Division has not sought a fee increase since the last one took effect in 2002. (See Bulletin B-07-12, dated November 19, 2007.) Soon after the CR-101 filing, Initiative 960 became law and prevented fee increases without prior legislative approval.

On January 11, 2008, the Division received a letter from the Washington Credit Union League that asked several important questions regarding the proposed fee increase. The Division held a teleconference on February 29, 2008 to answer the League's questions and provide an update on the proposed fee increase. (See Bulletin B-08-01, dated February 7, 2008.)

During the 2008 legislative session, a limited number of fee increases were approved by the legislature, including the fees charged by the Division. On March 31, 2008, the Division of Credit Unions was authorized to increase fees in accordance to Section 30 in Chapter 285, Laws of 2008. On April 2, 2008, the Division filed a new "CR-101 Preproposal" to begin a new rule-making process for the increase of fees charged to credit unions.

On July 2, 2008, the Division filed a “CR-102 Proposed Rule-Making”, a copy of which will soon be published on our website at [www.dfi.wa.gov/cu](http://www.dfi.wa.gov/cu) . Comments are welcome and will continue to be received throughout the rulemaking process. To submit comments online, please use our [rulemaking comment form](#). You may also comment by mail, fax, or email. Note: Written comments are a public record and may be linked to the Division’s website.

As mentioned earlier in this Bulletin, the Division’s last increase in fees was in 2002. To review the current table of fees for 2002-2008, see Appendix C in Bulletin B-01-12, dated June 1, 2001.

**Beginning January 1, 2009, the Division’s proposed assessment and fee rates would be increased by 5.57% as follows:**

**A. Proposed Hourly Fee: \$64.35 (see proposed rule for activities billed by hourly fee.)**

**B. Proposed Asset Assessments:**

<b>Credit Union’s Total Assets</b>	<b>Quarterly Asset Assessment</b>
over \$500 Million (M)	\$21,163 +( .00001729 x total assets over \$500M)
over \$100M and up to \$500M	\$5,883 + (.00003819 x total assets over \$100M)
over \$25M and up to \$100M	.00005883 x total assets
over \$10M and up to \$25M	\$1,296
over \$2M and up to \$10M	\$863
over \$500K and up to \$2M	\$575
up to \$500K	\$0

Key to Table: M = Million; K = Thousand

The rule-making proposal is to increase fees by the amount of the fiscal growth factor for fiscal year (FY) 2009. The fiscal growth factor is determined by the state Office of Financial Management (OFM) and the Expenditure Limit Committee (ELC). Fiscal growth factor information can be found on the ELC website: [www.elc.wa.gov](http://www.elc.wa.gov). For FY 2009, the fiscal growth factor is 5.57%. Below is a table providing a comparison of credit union’s asset assessment fees for 2008 and the proposal for 2009.

**Comparison of 2008 Asset Assessment Fees to 2009 Proposed Asset Assessment Fees**

<b>Total Assets</b>	<b>2008 Quarterly Asset Assessment Fee</b>	<b>2009 Proposed Quarterly Asset Assessment Fee</b>	<b>Quarterly Dollar Change</b>
\$1 billion	\$ 28,237	\$ 29,808	\$ 1,571
\$500 million	\$ 20,045	\$ 21,159	\$ 1,114
\$100 million	\$ 5,573	\$ 5,883	\$ 310
\$25 million	\$ 1,228	\$ 1,296	\$ 68
\$10 million	\$ 818	\$ 863	\$ 45
\$1 million	\$ 545	\$ 575	\$ 30

If you have any questions regarding the fee increases or the asset assessment table, please contact Linda Jekel, Director of Credit Unions, at (360) 902-8778 or [LJekel@dfi.wa.gov](mailto:LJekel@dfi.wa.gov) or Mike Delimont, Program Manager, at (360) 902-8753 or [MDelimont@dfi.wa.gov](mailto:MDelimont@dfi.wa.gov) .