

Other Real Estate Owned
(OREO)

Minutes

May 21, 2009

2:00 – 4:00

Roll Call –

Stakeholders in attendance included 12 participants in person and 15 participants via telephone. Roll call included a brief description of OREO experience from first time participants.

Documents on the Web www.dfi.wa.gov –

Linda reviewed the DCU rulemaking website on the smart board to show where all current and future OREO documents can be found.

Minutes –

Minutes from April 29, 2009, were approved by consent.

Review first discussion draft -

1. WAC 208-476-010 - Reason for rule – No Comment
2. WAC 208-476-020 - Rulemaking authority – No Comment
3. WAC 208-476-030 – Authority of Director to require reports – No Comment
4. WAC 208-476-040 – Authority for credit unions to hold real estate – No Comment
5. WAC 208-476-050 – Definitions: The following comments were made -
 - Foreclosure - Incorporate “*Deed in Lieu*”
 - OREO – The group reviewed the OREO definitions and decided to create its own short unique version for the rulemaking. Joanne will use the group suggestions and preferred segments to draft a better suited definition for comment at the next meeting.
 - Include in the definition a list of how OREO is acquired
 - GAAP was suggested as a good reference for definitions
 - Suggested definition of OREO – “Real estate acquired by a lender in whole or partial satisfaction of a mortgage loan by means of foreclosure or deed in lieu of foreclosure and held in inventory until sold.”
 - Questions were asked on how leased property relates to OREO

Action Item for next meeting (June 30, 2009) –

Review the Utah, Texas, and OTS rules on OREO. The discussion will focus on “What is a reasonable amount of time to hold OREO?”

“Speed bump” approach: After a specific amount of time holding OREO, contacting the regulator for an extension would be required.

Meeting Adjourned 2:50pm

Next task force Meeting: June 30, 2009 – 10am-12pm