



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do NOT use for expedited rule making

Agency: Dept of Financial Institutions, Div of Credit Unions

Subject of possible rule making: Requirements and standards for state-chartered credit unions in the mitigation of losses for loans collateralized by real property, or real property acquired as result of loan defaults, and the management, marketing, sales and accounting practices required when dealing with "other real estate owned," typically from foreclosed properties.

Statutes authorizing the agency to adopt rules on this subject: RCW 31.12.404; RCW 31.12.426; RCW 31.12.428; RCW 31.12.436; RCW 31.12.516; RCW 31.12.569.

Reasons why rules on this subject may be needed and what they might accomplish: Needed to maintain safe and sound practices of credit union operations by providing standards and guidelines for evaluating, managing and selling "Other Real Estate Owned (OREO)." OREO is real property that a state-chartered credit union holds as a consequence of defaults on loans.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: The National Credit Union Administration (federal agency). Coordination will occur by communication with the NCUA and by monitoring relevant federal exam guidelines and rulemaking on the subject of this rule.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication: (List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.) Interested parties can participate in this rulemaking by attending any public hearings on the proposed rule, and by contacting the Division of Credit Unions in writing, including e-mail. Contact: Joanne Conrad, Regulatory Analyst, P.O. Box 41200, Olympia WA 98504-1200, Phone: 360-902-8813 FAX: 360-704-6490 Email: jconrad@dfi.wa.gov

DATE
April 14, 2009

NAME (TYPE OR PRINT)
Linda K. Jekel

SIGNATURE
Linda Jekel

TITLE
Director, Div. of Credit Unions

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