COPY

PROPOSED RULE MAKING

CR-102 (June 2012)
(Implements RCW 34.05.320)
Do **NOT** use for expedited rule making

Agency: Department of Financial Institutions, Division of Credit Unions

☒ **Preproposal Statement of Inquiry was filed as WSR** 15-18-039 **; or**
☐ **Expedited Rule Making--Proposed notice was filed as WSR** _____**; or**
☐ **Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).**

☒ **Original Notice**
☐ **Supplemental Notice to WSR** _____
☐ **Continuance of WSR** _____

Title of rule and other identifying information: (Describe Subject) Amending the rules (chapter 208-418 WAC) under the Washington State Credit Union Act (WCUA) (chapter 31.12 RCW)

Hearing location(s): Department of Financial Institutions, 150 Israel Rd. SW, Tumwater, WA 98501, 360-902-8700

Date: November 24, 2015 Time: 11:00am – 1:00pm

Submit written comments to:
Name: Allison Kohlhorst
Address: PO Box 41200, Olympia, WA 98504-1200

e-mail allison.kohlhorst@dfi.wa.gov or dcu@dfi.wa.gov
fax (877) 330-6870 by (date) October 14, 2015

Assistance for persons with disabilities: Contact Allison Kohlhorst by November 20, 2015
TTY ( ) _____ or (360) 902-8718

Date of intended adoption: 11/30/2015
(Note: This is **NOT** the **effective** date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The purpose of amending the rules is to implement changes to the frequency of asset assessment fees from being collected on a quarterly basis to semi-annual.

Reasons supporting proposal: This is consistent with the billing schedule currently in place for the Department of Financial Institutions, Division of Banks, and will bring state assessment fee practices closer to the Federal assessment practice..

Statutory authority for adoption: RCW 31.12.516; RCW 43.320.040

Statute being implemented: chapter 31.12 RCW

Is rule necessary because of a:

Federal Law?	☐ Yes	☒ No
Federal Court Decision?	☐ Yes	☒ No
State Court Decision?	☐ Yes	☒ No

If yes, CITATION:

CODE REVISER USE ONLY

CODE REVISER'S OFFICE
STATE OF WASHINGTON
FILED
OCT 20 2015
TIME 11:18 AM PM
WSR 15-21-071

DATE October 16, 2015

NAME (type or print) Linda K. Jekel

SIGNATURE Linda K. Jekel

TITLE Director, Division of Credit Unions

(COMPLETE REVERSE SIDE)

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Name of proponent: (person or organization) Department of Financial Institutions

☐ Private
☐ Public
☒ Governmental

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting.....	Linda Jekel	Tumwater, WA	(360) 902-8778
Implementation....	Linda Jekel	Tumwater, WA	(360) 902-8778
Enforcement.....	Linda Jekel	Tumwater, WA	(360) 902-8778

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

☐ Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:
Name:
Address:

phone ( ) _____
fax ( ) _____
e-mail _____

☒ No. Explain why no statement was prepared.
The rule amendments will not impose more than minor costs on the businesses impacted by the proposed rule.

Is a cost-benefit analysis required under RCW 34.05.328?

☐ Yes A preliminary cost-benefit analysis may be obtained by contacting:
Name:
Address:

phone ( ) _____
fax ( ) _____
e-mail _____

☒ No: Please explain: This proposed change only affects the timing of the asset assessment collections.

AMENDATORY SECTION (Amending WSR 01-12-004, filed 5/23/01, effective 6/23/01)

WAC 208-418-020 Collection of fees. Chapter 31.12 RCW authorizes the director to charge fees to credit unions and certain other persons in order to cover the costs of the operation of the division of credit unions and to establish a reasonable reserve for the division. As set forth in more detail in this chapter, the fees for this purpose shall consist of:

(1) ((~~Quarterly~~)) Semiannual asset assessments charged to credit unions;

(2) Charges to a credit union for costs incurred by the division for certain types of attorney general or special counsel assistance in regard to the credit union; and

(3) Certain other fees charged by the director.

The director may waive all or any portion of any fee payable by a credit union or other person.

AMENDATORY SECTION (Amending WSR 10-06-050, filed 2/24/10, effective 3/27/10)

WAC 208-418-040 ((~~Quarterly~~)) Semiannual asset assessments. (1) The director will charge each credit union a ((~~quarterly~~)) semiannual asset assessment at the rate set forth in subsection (2) of this section. Asset assessments will be due on January ((~~1, April 1,~~)) 1st and July ((~~1, and October 1~~)) 1st. Asset assessments must be paid no later than thirty days after their due date. The assessments will be computed on total assets as of the prior June 30th for the ((~~October 1 and~~)) January 1st assessments, and as of the prior December 31st for the ((~~April 1 and~~)) July 1st assessments.

(2)

Credit Union's Total Assets	((~~Quarterly~~)) Semiannual Asset Assessment
over $500M	$((~~21,163 + (.00001729~~)) 42,326 + (.00003458 x total assets over $500M)
over $100M up to $500M	$((~~5,883 + (.00003819~~)) 11,766 + (.00007638 x total assets over $100M)
over $25M up to $100M	((~~0.00005883~~)) .00011766 x total assets
over $10M up to $25M	$((~~1,296~~)) 2,592
over $2M up to $10M	$((~~863~~)) 1,726
over $500K up to $2M	$((~~575~~)) 1,150
up to $500K	$0
M = Million K = Thousand	

(3) ((~~Quarterly~~)) Semiannual asset assessments are charged for the ((~~calendar quarter~~)) semiannual period that begins on the due date

of the assessment. No rebates will be made to credit unions that cease to be state-chartered during the ((~~quarter~~)) assessment period. A credit union converting to state charter will pay a prorated ((~~quarterly~~)) semiannual asset assessment for the ((~~quarter~~)) six months during which the conversion is completed.

(4) From time to time, the director may determine that asset assessments on an out-of-state credit union or foreign credit union are inappropriate relative to the level of examination and supervision of that credit union by the division. In that event, the director may charge the credit union hourly fees for examination and supervision of the credit union, including, but not limited to, ((~~offsite~~)) off-site monitoring, in lieu of asset assessments. Such fees are due upon receipt of billing from the division.