



DCU BULLETIN

Division of Credit Unions

Washington State Department of Financial Institutions

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Alternative Share Insurance Rules For Credit Unions

The Department of Financial Institutions, Division of Credit Unions, is in the process of developing rules for an alternative share insurance program in Washington State.

Two separate rules are involved. The first rule deals with the standards for a share insurance company seeking authorization to do business in Washington. The second rule involves the process and requirements for a state-chartered credit union wishing to convert to alternative share insurance.

If a share insurance corporation successfully applies and is approved to do business in Washington, then a credit union converting to alternative share insurance will be subject to certain requirements, in the following areas:

- The process for converting to alternative share insurance, including member voting and notice requirements
- The standards for signage and logos for non-NCUSIF-insured credit unions
- The safety and soundness criteria that are similar to 12 CFR Part 741
- The requirements and process for voluntary or involuntary reconversion to federal share insurance under NCUSIF

The CR-101 Preproposal, announcing rulemaking for the credit union responsibilities imposed by conversion to alternative share insurance, will be filed in April 2007. A timeline for the rulemaking process, including opportunities to meet and comment, will be posted on the DCU rulemaking website:

www.dfi.wa.gov/cu/share_insurance_rulemaking.htm

If you have questions or comments, please contact:

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