



DCU BULLETIN

Division of Credit Unions

Washington State Department of Financial Institutions

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October 1, 2015

No. B-15-12

Request for Comments on Proposed Amendments to Rule on Asset Assessment Fees

The Director of Credit Unions is proposing amendments to chapter 208-418 WAC. The proposed amendments will change the frequency of asset assessment fees collected by the Division of Credit Unions. The proposal is to change the timing of collecting assessment fees from being collected each quarter in January, April, July, and October to semi-annual in January and July, effective December 31, 2015. The amount of fees collected per calendar year will remain the same, only the timing of payments would change. For a copy of the CR 101, filed on August 26, 2015, and the Bulletin about the rule-making, see

<http://www.dfi.wa.gov/sites/default/files/credit-unions/bulletins/B-15-09.pdf> .

Attached you will find a copy of the proposed amendments to chapter 208-418 WAC. You may submit comments. Comments are due by close of business on October 14, 2014. Comments will be posted on the DFI website, and placed in the rulemaking file. You may use any of the following methods to submit comments:

- By email, send to: dcu@dfi.wa.gov
- By fax, send to: 1-877-330-6870
- By letter, mail to:

Division of Credit Unions
PO Box 41200
Olympia, WA 98504
Attn: Linda Jekel, Director of Credit Unions

Timetable to Complete the Rulemaking

Below is the timetable for the CR-102 Proposed Rulemaking Order and the CR-103 Permanent Rulemaking Order, in compliance with the requirements of the Administrative Procedures Act, chapter 34.05 RCW.

Date	Description
October 1, 2015	Request for comments on proposed amendments to chapter 208-418 WAC.
October 14, 2015	Deadline to receive informal comments on draft amendments to chapter 208-418 WAC.
October 21, 2015	Filing date of the CR-102 Proposed Rulemaking Order with the Stat Code Reviser.
November 24, 2015	Public Hearing on the CR-102 Proposed Rulemaking Order
November 30, 2015	CR-103 Permanent Rulemaking Order filing for adoption.
December 31, 2015	CR-103 Permanent Rulemaking Order is effective.

Public Hearing for the CR-102 Proposed Rulemaking Order

The public hearing on November 24, 2015 is an opportunity for members of the public to state their concerns or support for the proposed rule. Written and verbal comments are accepted at the public hearing on the proposed rule. If you don't feel comfortable speaking at the meeting or are unable to attend, you can submit your comments in writing (letter, email, fax), in person, or by phone. Key personnel from Department of Financial Institutions will be present at the hearing and will stay behind to talk to citizens after the hearing to answer questions or to speak about public concerns. All input from citizens is included in the rulemaking file as part of the final proposal, and posted on the DFI website.

For the public hearing on the CR-102 Proposed Rulemaking Order, you may attend in person or by teleconference as follows:

Meeting: Public Hearing on the CR-102
Date: Tuesday, November 24, 2015
Time: 11:00 am to 1:00 pm
Location: Department of Financial Institutions
150 Israel Road SW
Tumwater, WA 98501

If you attend in person, please allow time to check in with reception.

If you attend by teleconference, dial 1-877-885-3221 and use conference ID 5705532#.

All rulemaking documents will be available on the Department of Financial Institutions, Credit Unions Rulemaking Docket. You can subscribe for email updates at <http://www.dfi.wa.gov/credit-unions/rulemaking>

If you have questions or would like more information, please contact Linda Jekel, Director of Credit Unions at linda.jekel@dfi.wa.gov or (360) 902-8778.

Chapter 208-418 WAC

FEES CHARGED TO CREDIT UNIONS AND OTHER PERSONS

(Formerly chapter 419-18 WAC)

Last Update: 2/24/10

WAC

208-418-010 Definitions.

208-418-020 Collection of fees.

208-418-040 Quarterly asset assessments.

208-418-050 Pass through of attorney general costs.

208-418-070 Other fees.

208-418-100 Waiver of fees.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

208-418-030 Hourly charge for examinations. [WSR 96-06-011, recodified as § 208-418-030, filed 2/23/96, effective 6/1/96. Statutory Authority: RCW 31.12.535 and 31.12.545. WSR 95-06-066, § 419-18-030, filed 2/28/95, effective 3/31/95; WSR 91-06-062, § 419-18-030, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.545(1). WSR 85-07-008 (Order 85-2), § 419-18-030, filed 3/8/85. Statutory Authority: RCW 31.12.320. WSR 82-13-016 (Order 82-5), § 419-18-030, filed 6/7/82.] Repealed by WSR 96-12-058, filed 5/31/96, effective 7/1/96. Statutory Authority: 1996 c 274.

208-418-045 Credit unions examination fund—Minimum cash balance—Acceleration of semiannual asset

charge. [WSR 96-06-011, recodified as § 208-418-045, filed 2/23/96, effective 6/1/96.
Statutory Authority: RCW 31.12.535 and 31.12.545. WSR 95-06-066, § 419-18-045, filed
2/28/95, effective 3/31/95.] Repealed by WSR 96-17-072, filed 8/20/96, effective 9/20/96.
Statutory Authority: RCW 42.320.040 [43.320.040].

208-418-060 One-time special assessment for fiscal 1997. [Statutory Authority: 1996 c 274. WSR 96-12-
058, § 208-418-060, filed 5/31/96, effective 7/1/96. WSR 96-06-011, recodified as § 208-
418-060, filed 2/23/96, effective 6/1/96. Statutory Authority: RCW 31.12.535 and
31.12.545. WSR 95-06-066, § 419-18-060, filed 2/28/95, effective 3/31/95; WSR 91-06-062,
§ 419-18-060, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.545(1). WSR
85-07-008 (Order 85-2), § 419-18-060, filed 3/8/85. Statutory Authority: RCW 31.12.320.
WSR 83-20-027 (Order 83-4), § 419-18-060, filed 9/26/83.] Repealed by WSR 01-12-004,
filed 5/23/01, effective 6/23/01. Statutory Authority: RCW 31.12.426(1), 31.12.516(2),
43.320.040.

208-418-080 Scheduled increases in rate of examination and supervision charges. [WSR 96-06-011, re-
codified as § 208-418-080, filed 2/23/96, effective 6/1/96. Statutory Authority: RCW
31.12.535 and 31.12.545. WSR 95-06-066, § 419-18-080, filed 2/28/95, effective 3/31/95.]
Repealed by WSR 96-12-058, filed 5/31/96, effective 7/1/96. Statutory Authority: 1996 c
274.

208-418-090 Rate increase. [Statutory Authority: RCW 31.12.426(1), 31.12.516(2), 43.320.040. WSR 01-
12-004, § 208-418-090, filed 5/23/01, effective 6/23/01.] Repealed by WSR 08-24-057,
filed 11/26/08, effective 12/31/08. Statutory Authority: Chapter 43.135 RCW, RCW

WAC 208-418-010 Definitions. Unless the context clearly requires otherwise, as used in this chapter:

(1) "Credit union" includes a Washington credit union, an out-of-state credit union and a foreign credit union.

(2) "Foreign credit union" means a credit union organized and operating under the laws of another country or other foreign jurisdiction, that is operating a branch in Washington in accordance with RCW 31.12.471.

(3) "Hourly fee" means a fee of \$64.35 per hour per examiner or other staff person of the division.

(4) "Out-of-state credit union" means a credit union organized and operating under the laws of another state or U.S. territory or possession, that is operating a branch in Washington in accordance with RCW 31.12.471.

(5) (a) "Total assets" of a Washington credit union includes all assets of the credit union as reported on the credit union's most recent form 5300 or similar financial report.

(b) "Total assets" of an out-of-state or foreign credit union is derived from the following fraction:

Total assets x in-state shares and deposits

Total shares and deposits

"Total assets" and "shares and deposits" include respectively all assets and shares and deposits as reported on the credit union's most recent form 5300 or similar financial report.

(6) "Washington credit union" means a credit union organized and operating under chapter 31.12 RCW.

[Statutory Authority: Chapter 43.135 RCW, RCW 43.320.040, 31.12.516(6), and 2008 c 285. WSR 08-24-057, § 208-418-010, filed 11/26/08, effective 12/31/08. Statutory Authority: RCW 31.12.426(1), 31.12.516(2), 43.320.040. WSR 01-12-004, § 208-418-010, 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~~ Semi-annual 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.

[Statutory Authority: RCW 31.12.426(1), 31.12.516(2), 43.320.040. WSR 01-12-004, § 208-418-020, filed 5/23/01, effective 6/23/01. Statutory Authority: 1996 c 274. WSR 96-12-058, § 208-418-020, filed 5/31/96, effective 7/1/96. WSR 96-06-011, recodified as § 208-418-020, filed 2/23/96, effective 6/1/96. Statutory Authority: RCW 31.12.535 and 31.12.545. WSR 95-06-066, § 419-18-020, filed 2/28/95, effective 3/31/95. Statutory Authority: RCW 31.12.320. WSR 83-20-027 (Order 83-4), § 419-18-020, filed 9/26/83; WSR 82-13-016 (Order 82-5), § 419-18-020, filed 6/7/82.]

WAC 208-418-040 Quarterly Semi-annual asset assessments. (1) The director will charge each credit union a quarterly semi-annual asset assessment at the rate set forth in subsection (2) of this section. Asset assessments will be due on January 1, ~~April 1,~~ and July 1, ~~and~~ ~~October 1~~. 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 30 for the ~~October 1 and~~ January 1 assessments, and as of the prior December 31 for the ~~April 1 and~~ July 1 assessments.

(2)

Credit Union's Total Assets	Quarterly <u>Semi-Annual</u> Asset Assessment
over \$500M	\$ 21,163 <u>42,326</u> + (.00001729 <u>.00003458</u> x total assets over \$500M)
over \$100M up to \$500M	\$ 11,766 <u>55,883</u> + (.00003819 <u>.00007638</u> x total assets over \$100M)
over \$25M up to \$100M	0.00005883 <u>.00011766</u> x total assets
over \$10M up to \$25M	\$ 1,296 <u>2,592</u>
over \$2M up to \$10M	\$ 863 <u>1,726</u>
over \$500K up to \$2M up to \$500K	\$ 575 <u>1,150</u> \$0

M = Million K = Thousand

(3) ~~Quarterly~~Semi-annual asset assessments are charged for the ~~calendar quarter~~semi-annual 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~~semi-annual asset assessment for the ~~six months~~quarter 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 monitoring, in lieu of asset assessments. Such fees are due upon receipt of billing from the division.

[Statutory Authority: RCW 31.12.516, 43.320.040, and chapter 43.135 RCW. WSR 10-06-050, § 208-418-040, filed 2/24/10, effective 3/27/10. Statutory Authority: Chapter 43.135 RCW, RCW 43.320.040, 31.12.516(6), and 2008 c 285. WSR 08-24-057, § 208-418-040, filed 11/26/08, effective 12/31/08. Statutory Authority: RCW 31.12.426(1), 31.12.516(2), 43.320.040. WSR 01-12-004, § 208-418-040, filed 5/23/01, effective 6/23/01. Statutory Authority: 1996 c 274. WSR 96-12-058, § 208-418-040, filed 5/31/96, effective 7/1/96. WSR 96-06-011, recodified as § 208-418-040, filed 2/23/96, effective 6/1/96. Statutory Authority: RCW 31.12.535 and 31.12.545. WSR 95-06-066, § 419-18-040, filed 2/28/95, effective 3/31/95; WSR 91-06-062, § 419-18-040, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.545(1). WSR 85-07-008 (Order 85-2), § 419-18-040, filed 3/8/85. Statutory Authority: RCW 31.12.320. WSR 83-20-027 (Order 83-4), § 419-18-040, filed 9/26/83; WSR 82-13-016 (Order 82-5), § 419-18-040, filed 6/7/82.]

WAC 208-418-050 Pass through of attorney general costs. (1) The director may charge each credit union the actual cost incurred by the division of credit unions for certain legal assistance rendered by an assistant attorney general or special counsel in regard to that credit union. Legal assistance includes legal assistance rendered in connection with: Supervisory committee meetings and board meetings; receiverships, conservatorships, liquidations and declarations of insolvency; enforcement agreements or actions; collection actions; administrative hearings; declaratory orders; and opinions requested by a credit union or the division of credit unions. Charges are due upon receipt of billing from the division.

(2) The division will notify a credit union before the division incurs expense for legal assistance which may be charged to the credit union under this section.

[Statutory Authority: Chapter 43.135 RCW, RCW 43.320.040, 31.12.516(6), and 2008 c 285. WSR 08-24-057, § 208-418-050, filed 11/26/08, effective 12/31/08. Statutory Authority: RCW 31.12.426(1), 31.12.516(2), 43.320.040. WSR 01-12-004, § 208-418-050, filed 5/23/01, effective 6/23/01. Statutory Authority: 1996 c 274. WSR 96-12-058, § 208-418-050, filed 5/31/96, effective 7/1/96. WSR 96-06-011, recodified as § 208-418-050, filed 2/23/96, effective 6/1/96. Statutory Au-

thority: RCW 31.12.535 and 31.12.545. WSR 95-06-066, § 419-18-050, filed 2/28/95, effective 3/31/95; WSR 91-06-062, § 419-18-050, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.320. WSR 83-20-027 (Order 83-4), § 419-18-050, filed 9/26/83.]

WAC 208-418-070 Other fees. (1) The director will charge hourly fees as follows:

(a) An hourly fee will be charged to a person other than a credit union or a subsidiary of one or more credit unions for each information systems and technology examination of the person by the division of credit unions.

(b) An hourly fee will be charged to a credit union for the examination of the credit union's application to add a community group to its field of membership.

(c) An hourly fee will be charged to a credit union for a fraud investigation or examination of the credit union and/or persons involved with the credit union by the division.

(d) An hourly fee will be charged to an out-of-state or foreign credit union for examination and supervision by the division under WAC 208-418-040(4).

(e) An hourly fee will be charged to an out-of-state or foreign credit union for the examination of the credit union's application to operate a branch in this state.

(f) An hourly fee will be charged to other divisions or agencies for examinations, investigations, or similar undertakings performed on their behalf by the division.

(g) An hourly fee will be charged for investigation or examination of conversion applications.

(h) An hourly fee will be charged for initial and annual examination of alternative share insurers that apply for authorization to do business with Washington state chartered credit unions.

(i) An hourly fee will be charged for examination of credit union service organizations and their subsidiaries.

(2) In addition, the director will charge a credit union or other person for the actual cost incurred by the division for an examination or investigation of the credit union or person performed under personal services contract by third parties.

(3) Charges under this section are due upon receipt of billing from the division.

[Statutory Authority: Chapter 43.135 RCW, RCW 43.320.040, 31.12.516(6), and 2008 c 285. WSR 08-24-057, § 208-418-070, filed

11/26/08, effective 12/31/08. Statutory Authority: RCW 31.12.426(1), 31.12.516(2), 43.320.040. WSR 01-12-004, § 208-418-070, filed 5/23/01, effective 6/23/01. Statutory Authority: 1996 c 274. WSR 96-12-058, § 208-418-070, filed 5/31/96, effective 7/1/96. WSR 96-06-011, recodified as § 208-418-070, filed 2/23/96, effective 6/1/96. Statutory Authority: RCW 31.12.535 and 31.12.545. WSR 95-06-066, § 419-18-070, filed 2/28/95, effective 3/31/95; WSR 91-06-062, § 419-18-070, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.545(1). WSR 85-07-008 (Order 85-2), § 419-18-070, filed 3/8/85. Statutory Authority: RCW 31.12.320. WSR 83-20-027 (Order 83-4), § 419-18-070, filed 9/26/83.]

WAC 208-418-100 Waiver of fees. The director may waive any or all of the fees and assessments imposed under WAC 208-418-040 and 208-418-070, in whole or in part, when the director determines that such course of action would be fiscally prudent.

[Statutory Authority: Chapter 43.135 RCW, RCW 43.320.040, 31.12.516(6), and 2008 c 285. WSR 08-24-057, § 208-418-100, filed 11/26/08, effective 12/31/08. Statutory Authority: RCW 31.12.426(1),

31.12.516(2), 43.320.040. WSR 01-12-004, § 208-418-100, filed 5/23/01,
effective 6/23/01.]