



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CREDIT UNIONS

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January 8, 2007

DCU Interpretive Letter I-07-01

“A”

Re: Establishing No-Interest/Dividend Accounts for Members Lacking a Taxpayer Identification Number.

Dear “A”:

In response to your question of whether a credit union may establish an account, which does not pay dividends or interest, for members who do not have a social security number (SSN) or other taxpayer identification number (TIN). Washington chartered credit unions (CUs) may establish a share account that does not pay dividends but must be careful to comply with Truth in Savings Act (TISA) disclosure and notice requirements.

CUs may offer various types of share accounts and must accurately represent the terms and conditions of their accounts. RCW 31.12.402(1). While CUs are authorized to pay dividends on share accounts, they are not required to pay dividends on every type of share account.

Federally insured credit unions will need to ensure compliance with the notice and disclosure requirements of National Credit Union Administration’s TISA regulations and ensure no-dividend accounts are distinguished from regular share accounts. 12 C.F.R. Part 707. Without a TIN or SSN, federally insured credit unions must also ensure their customer identification program adequately addresses the documentation required for compliance with requirements of the Bank Secrecy Act. 12 C.F.R. §748.2. We hope you find this information helpful. Further questions may be directed to our office at 360 902-8701.