

April 1, 1998

“A”

“B” Credit Union

Subject: Investment in real property primarily for own use (RCW 31.12.438)

Opinion no: O-98-3 (**Redacted version**)

Dear “A”:

Thank you for your request regarding the purchase of a building for future credit union use. Below is the information we discussed.

Request:

“B” wants to purchase a piece of land with two buildings on it. One building has 50,000 square feet and will be occupied 100% by the credit union upon purchase. The second building has 58,000 square feet and will be occupied by the credit union in five to seven years.

Relevant statute:

RCW 31.12.438 (1) restricts credit unions to investment in real property primarily for their own use. Primarily is defined that 50% plus one of total square footage for each building that is owned and occupied by the credit union. In the above request, “B” will need to apply to the Division of Credit Unions for a waiver of the limitations of RCW 31.12.438 (2) in order to use the second building in five to seven years.

Question:

What does primarily mean? Can a credit union add the square footage of all buildings owned and occupied to meet the “primarily” requirement or is “primarily” based on each building?

If you have additional questions, please do not hesitate to call me at (360) 902-8753.

Sincerely,

Linda K. Jekel
Program Manager