



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF BANKS

P.O. Box 41200 • Olympia, Washington 98504-1200

Telephone (360) 902-8704 • TDD (360) 664-8126 • FAX (360) 586-5068 •

<http://www.dfi.wa.gov/banks>

**TRUST COMPANY CHARTER APPLICATION INFORMATION SHEET**

The Washington State Department of Financial Institutions - Division of Banks (“Division”) welcomes your interest in establishing a Washington State-chartered trust company. If you elect to proceed with all the application requirements, the Division will assist you in clarifying the procedures and standards that must be met in order to establish a trust company in the State of Washington.<sup>1</sup>

The application and associated materials have been designed to elicit the minimum information required by the Division for the purpose of determining whether a trust company Certificate of Authority will be granted (i.e., a trust company charter).

Establishing a trust company is a major undertaking that requires substantial personal and financial commitment by the organizers and the proposed Chief Executive Officer (CEO). The Director of the Division (“Director”) encourages and expects such a commitment. The commitment exhibited by the organizers and the proposed CEO will be an important factor influencing our decision to approve the application.

The process for establishing a trust company occurs in four basic steps: (1) conducting a pre-filing meeting; (2) filing the application; (3) processing the application and investigation; and, (4) the Director making a final determination. Failure to satisfy the application requirements will result in processing delays and may prevent approval of the application.

There are no minimum capital requirements to form a Washington State-chartered trust company. Please be aware that capital requirements are determined by reviewing the business plan, scope of the proposed trust company operations, current or proposed insurance and bonding levels, and loss history (if any).

The Division charges hourly fees for processing applications and conducting attendant investigations. The charter investigation fees are calculated using the estimated number of hours multiplied by the current hourly rate, which is currently \$83 per hour.<sup>2</sup>

---

<sup>1</sup> Refer to Chapter 208-528 WAC, New State Banks and Trust Companies—Application and Investigation.

<sup>2</sup> WAC 208-544 et seq.

## **PRE-FILING MEETING**

Individuals interested in forming a trust company (“interested party”) should complete the Trust Powers Application<sup>3</sup>, and submit it by:

US Mail:

Director of Banks  
Department of Financial Institutions  
PO Box 41200  
Olympia WA 98504-1200

-or-

Secure Email:

banks@dfi.wa.gov

After such information is obtained, a representative from the Division will contact the interested party to gather more information. If the initial information is sufficient, the Division will hold a pre-application meeting with the interested party to answer any further questions. Refer to WAC 208-528-020 for more information. Please note that the initial Trust Powers Application will become part of the official application, but may be amended at a later date.

### **1. FILING THE APPLICATION AND BUSINESS PLAN**

After a pre-filing meeting is held, an *official* application and business plan should be submitted to the Division. Once the application and accompanying documents are received by the Division, they will be reviewed and investigated. At a minimum, all applicants must submit the following<sup>4</sup>:

- A. Notice of Intent to Organize
- B. A comprehensive business plan.
- C. The Articles of Incorporation bearing the original signatures of the proposed organizers and board of directors.
- D. Executed Authority to Release Information Forms for any proposed directors, executive officers, or principal shareholders.
- E. Completed and signed Biographical Reports for any proposed directors, executive officers, or principal shareholders.
- F. Completed and signed Financial Information Forms.
- G. Completed forms authorizing background checks, which may include fingerprint cards.

---

<sup>3</sup> The Division utilizes the FDIC application for pre-filing purposes only. The form contains references to federal statutes and rules, which are not binding for state-chartered institutions.

<sup>4</sup> See RCW 30.08.020 and WAC 208-528-990.

- H. Completed Confirmation Inquiry Forms if the person completing the form will use funds under their direct or indirect control to acquire stock. This form is not required if available funds can be evidenced through copies of bank or brokerage statements.

Please note that the official application must be signed and notarized. The applicant will be notified if additional information is required to complete the review of the application. Only when it is determined that sufficient information has been filed with the Division to adequately review the proposed transaction, *then* the application will be officially accepted for review. Full and complete answers will facilitate prompt processing of the application.

## **2. PROCESSING THE APPLICATION AND BUSINESS PLAN**

Part of the application review includes a field investigation of the interested party, incorporators, or existing company or financial institution. The investigation will address following topics and areas of concern:

1. Financial history and condition.
2. Adequacy of the capital structure.
3. Future earnings prospects.
4. General character of management.
5. Convenience and needs of the community to be served.
6. Consistency of corporate powers.

The investigation will include in-person interviews with each of the proposed officers and directors of the proposed trust company.

## **3. FINAL DETERMINATION**

Following the review of the application and investigation, the Division Director will decide whether to grant approval to organize a Washington State-chartered trust company. If an approval is granted, the Division will issue a Certificate of Authority authorizing the Trust Company to accept trusts and engage in trust business. A Certificate of Authority to establish a Washington trust company will not be issued until all steps required to organize a trust company are completed. The Division will file Articles of Incorporation with the Office of the Secretary of State on behalf of the newly formed institution. The organizers have six months days from the date that Certificate of Authority is issued to commence business.<sup>5</sup>

## **4. ADDITIONAL INFORMATION**

The Division regularly examines trust companies at least every 18 months on a schedule that is based on the company's overall condition as well as the dollar amount of assets under management.<sup>6</sup> Furthermore, the Division utilizes the interagency MOECA ratings (Management, Operations, Earnings, Compliance, and Asset Management) in the overall trust company assessment and report of examination. These ratings are described in greater detail in the links below:

---

<sup>5</sup> RCW 30.08.070.

<sup>6</sup> RCW 30.04.060.

- <http://www.fdic.gov/regulations/examinations/trustmanual/>
- <http://www.occ.gov/publications/publications-by-type/comptrollers-handbook/index-comptrollers-handbook.html> (Under Asset Management Booklets, below the chart)

For additional information relating to the laws pertaining to the chartering and regulation of a Washington State-chartered trust company, please refer to the following:

- Title 11 RCW—Probate and Trust Law
- Title 30 RCW—Banks and Trust Companies, including the following Chapters that pertain to Trust Companies:
  - a. Chapter 30.04 RCW
  - b. Chapter 30.08 RCW
  - c. Chapter 30.24.080 RCW
  - d. Chapter 30.53 RCW
- Title 208 WAC, including the following Chapters that pertain to Trust Companies:
  - a. Chapter 208-512 WAC
  - b. Chapter 208-528 WAC
  - c. Chapter 208-536 WAC

**~Thank you for your interest in forming a Washington State-Chartered Trust Company ~**