

WAC 208-586-085 Loans to one borrower. RCW 33.24.010 provides that an association may not invest more than two and one-half percent of its assets in any loan or obligation to any one person, except with the written approval of the supervisor. The director hereby gives written approval for any state chartered association to make a loan to any one borrower in an amount which, taken together with all other outstanding loans and obligation to the same borrower, does not exceed either ten percent of the institution's withdrawable accounts, or the association's net worth, whichever is less.

"One borrower" is defined as (a) any person or entity that is, or that upon the making of a loan will become, obligor on a loan; (b) nominees of such obligor; (c) all persons trusts, partnerships, syndicates, and corporations of which such obligor is a nominee or a beneficiary, partner, member, or record or beneficial stockholder owning ten percent or more of the capital stock, and (d) if such obligor is a trust partnership, syndicate, or corporation, all trusts, partnerships, syndicates, and corporations of which any beneficiary, partner, member, or record or beneficial stockholder owning ten percent of the capital stock, is also a beneficiary, partner, member, or record or beneficial stockholder owning ten percent or more of the capital stock of such obligor; and the term "total balances of all outstanding loans" means the original amounts loaned by an insured institution plus any additional advances and interest due unpaid, less repayments and participating interests sold and exclusive of any loan on the security of such institution's savings accounts or real estate, the title to which has been conveyed to a bona fide purchaser of such real estate.

[Statutory Authority: RCW 33.04.025 and 43.320.040. WSR 00-17-140, amended and recodified as § 208-586-085, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.24.010. WSR 84-09-058 (Order 84-1), § 419-14-085, filed 4/18/84.]