

FORM OF ORDER AND TRANSMITTAL BY AGENCY HAVING SINGLE HEAD

State of Washington

DEPARTMENT OF GENERAL ADMINISTRATION, Division of Banking
(agency name)

Administrative Order No. 42

(1) I, MICHAEL D. EDWARDS Supervisor, director of Banking

do promulgate and adopt at Olympia, Washington, (place) the annexed rules relating to: Minimum Reserve Requirements for State Banks and Trust Companies--Computation.

(2) ALTERNATIVE A. Use only for Adoption of Permanent Rules. This action is taken pursuant to Notice No. WSR 79-08-145 filed with the code reviser on August 1, 1979. Such rules shall take effect: [X] pursuant to RCW 34.04.040(2). [] at a later date, such date being

(2) ALTERNATIVE B. Use only for Adoption of Emergency Rules. I, find that an emergency exists and that the foregoing order is necessary for the preservation of the public health, safety, or general welfare and that observance of the requirements of notice and opportunity to present views on the proposed action would be contrary to public interest. A statement of the facts constituting such emergency is: Such rules are therefore adopted as emergency rules to take effect upon filing with the code reviser.

(3) Pursuant to the requirements of RCW 34.04. (1977 c 19 § 2) that "every agency shall incorporate the most specific, but in no case omit all, of the following language alternatives when adopting or amending rules" (fill in statement (a), (b), or (c) as appropriate):

[X] (a) This rule is promulgated pursuant to RCW 30.04.090 and is intended to administratively implement that statute. [] (b) This rule is promulgated pursuant to RCW which directs that the

(agency) has authority to implement the provisions of (name of act or RCW citation)

[] (c) This rule is promulgated under the general rule-making authority of the (agency) as authorized in RCW

(4) The undersigned hereby declares that he has complied with the provisions of the Open Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.04 RCW) or the Higher Education Administrative Procedure Act (chapter 28B.19 RCW), as appropriate, and the State Register Act (chapter 34.08 RCW).

(5) This order after being first recorded in the order register of this agency is herewith transmitted to the Code Reviser for filing pursuant to chapter 34.04 RCW and chapter 1-12 WAC.

STATE OF WASHINGTON APPROVED AND ADOPTED Sept 26 19 79 FILED

By MICHAEL D. EDWARDS, Supervisor of Banking, Department of General Administration Title

SEP 26 1979 CODE REVISER'S OFFICE WSR 79-10-107

STATEMENT OF IMPLEMENTATION AND PURPOSE

STATE OF WASHINGTON
DEPARTMENT OF GENERAL ADMINISTRATION
DIVISION OF BANKING

STATEMENT OF IMPLEMENTATION AND PURPOSE FOR RULES
ADOPTED IN ORDER NO. 42

TITLE: A. Name of Agency: Department of General Administration
Office of the Supervisor of Banking

B. Purpose of Rule: The purpose of this rule is to bring the reserve requirements imposed upon state chartered banks in line with those required of banks which are members of the Federal Reserve System.

C. Statutory Authority for Rule: See RCW 30.04.090.

SUMMARY OF THE RULE:

Establishes the reserves required to be kept by state chartered commercial banks, as a percentage of the total deposits held by such banks in various kinds of accounts.

AGENCY PERSONNEL RESPONSIBLE FOR THE DRAFTING, IMPLEMENTATION AND ENFORCEMENT OF THE RULE:

- (a) Michael D. Edwards, Supervisor of Banking
219 General Administration Building
Olympia, Washington 98504
(AC 206) 753-6520 or (Scan) 234-6520
- (b) L. O. Malmberg, Deputy Supervisor of Banking
219 General Administration Building
Olympia, Washington 98504
(AC 206) 753-6520 or (Scan) 234-6520


PROPONENTS AND OPPONENTS TO THE RULE:

This rule was proposed by the Division of Banking. There was no opposition thereto.

AGENCY'S COMMENTS: None

Submitted in accordance with RCW 34.04.065 this 26 day of September, 1979.

DEPARTMENT OF GENERAL ADMINISTRATION
DIVISION OF BANKING


MICHAEL D. EDWARDS, SUPERVISOR

AMENDATORY SECTION (Amending Order No. 38 filed 2/23/77)

WAC 50-12-010 MINIMUM RESERVE REQUIREMENTS FOR STATE BANKS AND TRUST COMPANIES--COMPUTATIONS. Every bank or trust company not a member of the Federal Reserve System shall maintain reserves on the following basis: (1) ~~7~~ ~~((1/2))~~% of its demand deposits up to \$2,000,000, plus ~~((10))~~ 9 1/2% of its demand deposits over \$2 million to \$10 million plus ~~((12))~~ 11 3/4% of such deposits over \$10 million to \$100 million, plus ~~((13))~~ 12 3/4% of its demand deposits over \$100 million to \$400 million, plus fifteen percent for such deposits over \$400 million.

(2) (i) 3% of (a) its savings deposits and (b) its time deposits, open account, that constitute deposits of individuals, such as Christmas club accounts and vacation club accounts, that are made under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits have been made during a period of not less than 3 months; and

(ii) 3% of its time deposits up to \$5 million, outstanding on November 28, 1974, which have an initial maturity of less than 180 days, or are issued on or after November 28, 1974, with an initial maturity of less than 180 days, plus 6% of such deposits in excess of \$5 million ~~((*)~~), and

(iii) 3% of its time deposits outstanding on November 28, 1974, which have an initial maturity of 180 days or more, or are issued on or after November 28, 1974, with an initial maturity of 180 days or more; and

(iv) 1% of its time deposits outstanding on or ~~((are))~~ issued after November 28, 1974, with an initial maturity of four years or more.

(3) In no case may the average of reserves on time and savings deposits be less than 3% for the computation period.

(4) Reserves shall be computed on the basis of semi-monthly periods commencing on the 10th day and 25th day of each month. Reserves for a Saturday, Sunday, or other holiday shall be computed on the basis of the deposits existing at the close of business on a preceding business day. When the reserve computation period ends with a nonbusiness day, or two or more consecutive nonbusiness days, such nonbusiness days, may, at the option of the bank, be included in the next reserve computation period.

(5) Time certificates of deposit held by the bank or trust company shall not be included for purposes of computing the amount of available funds.

~~((* Time-deposits-issued-in-the-period-November-14, 1974, through-November-18, 1974, with-maturities-of-between 120-and-179-days-may-be-treated-as-if-they-had-initial-maturities-of-180-days-or-more))~~