
SENATE BILL 5457

State of Washington 53rd Legislature 1993 Regular Session

By Senators Prentice, Moore, Pelz and Amondson

Read first time 01/29/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to confidentiality exceptions of credit union
2 examination reports; and amending RCW 31.12.565.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 31.12.565 and 1984 c 31 s 58 are each amended to read
5 as follows:

6 (1) Examination reports and information obtained by the
7 supervisor's staff in conducting examinations of credit unions and
8 credit union service organizations are confidential and privileged
9 information and not subject to public disclosure under chapter 42.17
10 RCW.

11 (2) Notwithstanding subsection (1) of this section, the supervisor
12 may furnish examination reports prepared by the supervisor's office to:

13 (a) Federal agencies empowered to examine state-chartered credit
14 unions;

15 (b) Officials empowered to investigate criminal charges. The
16 supervisor may furnish only that part of the report which is necessary
17 and pertinent to the investigation, and only after notifying the
18 affected credit union and members of the credit union who are named in
19 that part of the examination report that the report is being furnished

1 to the officials, unless the officials requesting the report obtain a
2 waiver of the notice requirement for good cause from a court of
3 competent jurisdiction;

4 (c) The examined credit union and its designated agent or agents,
5 solely for ~~((its))~~ their confidential use;

6 (d) The attorney general in his role as legal advisor to the
7 supervisor;

8 (e) Prospective merger partners or liquidating agents of a
9 distressed credit union;

10 (f) Credit union administrators in other states regarding an out-
11 of-state chartered credit union doing business in this state under this
12 chapter, or regarding a credit union chartered under this chapter doing
13 business in another state;

14 (g) Accounting firms under contract with the credit union;

15 (h) Companies that have bonded the credit union to the extent that
16 information is relevant to the renewal of the bond coverage or to a
17 claim under the bond coverage; ~~((or))~~

18 (i) Companies, associations, or agencies insuring or guaranteeing
19 the shares of or deposits in the credit union; or

20 (j) With the credit union's approval, the Washington credit union
21 league or successor organization, solely for its confidential use in
22 conjunction with the credit union examined.

23 (3) Examination reports furnished under subsection (2) of this
24 section remain the property of the supervisor's office and no person,
25 agency, or authority to whom reports are furnished or any officer,
26 director, or employee thereof may disclose or make public the reports
27 or information contained in the reports except in published statistical
28 information that does not disclose the affairs of an individual or
29 corporation, except that nothing prevents the use in a criminal
30 prosecution of reports furnished under subsection (2)(b) of this
31 section.

32 (4) In a civil action in which the reports are sought to be
33 discovered or used as evidence, a party upon notice to the supervisor,
34 may petition the court for an in-camera review of the reports. The
35 court may permit discovery and introduction of only those portions of
36 the report which are relevant and otherwise unobtainable by the
37 requesting party. This subsection does not apply to an action brought
38 or defended by the supervisor.

1 (5) This section does not apply to investigation reports prepared
2 by the supervisor and the supervisor's staff concerning an application
3 for a new credit union or a notice of intent to establish a branch of
4 a credit union, except that the supervisor may adopt rules making
5 confidential portions of the reports if in the supervisor's opinion the
6 public disclosure of that portion of the report would impair the
7 ability to obtain information the supervisor considers necessary to
8 fully evaluate the application.

9 (6) Any person who knowingly violates a provision of this section
10 is guilty of a gross misdemeanor.

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