

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. 39

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

do promulgate and adopt at Olympia, Washington (place)

the annexed rules relating to: the fees charged to banks for services performed by the Office of the Supervisor of Banking and the loan limitations of banks with respect to loans made to officers.

(2) ALTERNATIVE A. Use only for Adoption of Permanent Rules.

This action is taken pursuant to Notice No. filed with the code reviser on. Such rules shall take effect:

- checkbox pursuant to RCW 34.04.040(2).
checkbox at a later date, such date being

(2) ALTERNATIVE B. Use only for Adoption of Emergency Rules.

I, MICHAEL D. EDWARDS 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:

- (1) With respect to WAC 50-12-040, the Supervisor finds that immediate implementation of the new fee schedule is necessary to assure that fees collected reflect the actual costs incurred during calendar year 1979, that all banks receiving such services during calendar year 1979 are treated equally and fairly, and to preserve the financial integrity of the Supervisor's office.
(2) With respect to WAC 50-12-050, the Supervisor finds that the current limitations on loans made to officers unduly restrict state chartered banks, and place them at an unfair disadvantage in competing with other financial institutions for qualified personnel. Immediate implementation of the amendatory section is necessary to rectify this situation.

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):

checkbox (a) This rule is promulgated pursuant to RCW 30.08.095 with respect to WAC 50-12-040, and RCW 30.12.060 with respect to WAC 50-12-050.

checkbox (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)

checkbox (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 FILED

JAN 23 1979

CODE REVISER'S OFFICE WSR 79-02-034

DEPARTMENT OF GENERAL ADMINISTRATION Division of Banking By MICHAEL D. EDWARDS Supervisor of Banking Title

STATE OF WASHINGTON

DEPARTMENT OF GENERAL ADMINISTRATION, DIVISION OF BANKING

STATEMENT OF IMPLEMENTATION
AND PURPOSE FOR RULES ADOPTED
IN ORDER NO. 39

1. TITLE:

- a. NAME OF AGENCY: Office of the Supervisor of Banking
- b. PURPOSE OF RULES: (1) WAC 50-12-040. To establish fee schedule; (2) WAC 50-12-050. To establish limitation on amount of loans to officers by State chartered banks
- c. STATUTORY AUTHORITY FOR RULES:
 - (1) WAC 50-12-040, RCW 30.08.095
 - (2) WAC 50-12-050, RCW 30.012.060

2. SUMMARY OF THE RULES:

- a. WAC 50-12-040. Establishes schedule of fees charged by the Supervisor for various actions by his office with respect to state-chartered banks
- b. WAC 50-12-050. Establishes limitations on the nature and amounts of loans which may be made by a state chartered bank to an officer of the bank

3. AGENCY PERSONNEL RESPONSIBLE FOR THE DRAFTING, IMPLEMENTATION AND ENFORCEMENT OF THE RULES:

- a. Michael D. Edwards
Supervisor of Banking
219 General Administration Building
(206) 753-6520 (SCAN 234-6520)
- b. L. O. Malmberg
Deputy Supervisor of Banking
219 General Administration Building
(206) 753-6520 (SCAN 234-6520)

4. PROPONENTS AND OPPONENTS OF THE RULES:

- a. As to WAC 50-12-040, the amendment was proposed by the Supervisor. No opposition to the rule has been voiced to date.
- b. As to WAC 50-12-050, the amendment was proposed by the Supervisor upon the recommendation of the banking industry generally. No opposition to the rule has been voiced to date.

5. AGENCY COMMENTS: None

Submitted in accordance with RCW 34.04.045 this 22nd day of January, 1979.

DEPARTMENT OF GENERAL ADMINISTRATION
Division of Banking


MICHAEL D. EDWARDS, Supervisor

AMENDATORY SECTION (Amending Order 32, filed 10/2/75)

WAC 50-12-040 SCHEDULE OF FEES FOR BANKS, TRUST COMPANIES, MUTUAL SAVINGS BANKS, AND ALIEN BANKS. The supervisor shall collect in advance the following fees: (1) \$2,000.00 for filing application for a certificate of authority and attendant investigation for a new bank or trust company. If the cost therefor (computed on the basis of \$20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds \$2,000.00, the applicant shall pay such excess when ascertained by the supervisor.

(2) \$1,500.00 for filing an application for certificate authorizing an alien bank to establish and operate an office in the State of Washington and attendant investigation. If the cost therefor (computed on the basis of \$20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds \$1,500.00, the applicant shall pay such excess when ascertained by the supervisor.

(3) \$500.00 for filing an application for certificate authorizing an alien bank to establish and operate a bureau in the State of Washington. If the cost therefor (computed on the basis indicated in (1) and (2) above) exceeds \$500.00, the applicant shall pay such excess when ascertained by the supervisor.

(4) \$500.00 for filing an application for a certificate of authority for a branch and attendant investigation. If the cost therefor (computed on the basis of \$20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds \$500.00, the applicant shall pay such excess when ascertained by the supervisor.

(5) \$500.00 for filing an application for a certificate conferring trust powers and attendant investigation. If the cost therefor (computed on the basis of \$20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds \$500.00, the applicant shall pay such excess when ascertained by the supervisor.

(6) \$2,000.00 for filing merger agreement and attendant investigation. If three or more banks are involved, then the fee for each is \$1,000.00. If the cost therefor (computed on the basis of \$20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds the specified fee, the applicant surviving bank shall pay such excess when ascertained by the supervisor.

(7) \$300.00 for filing an application for a certificate of appropriate adjunct and attendant investigation. If the cost therefor (computed on the basis of \$20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds \$300.00, the applicant shall pay such excess when ascertained by the supervisor.

(8) (~~(\$100.00)~~) \$300.00 for filing application to relocate main office or branch and attendant investigation. If the cost therefor (computed on the basis of \$20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds (~~(\$100.00)~~) \$300.00, the applicant shall pay such excess when determined by the supervisor.

(9) (~~(\$25.00)~~) \$100.00 for issuing each branch certificate for branch resulting from merger.

(10) (~~(\$25.00)~~) \$100.00 for filing articles of incorporation, or amendments thereof, or other certificates required to be filed with the supervisor.

(11) (~~(\$25.00)~~) \$100.00 for issuing a certificate of increase or decrease of capital stock or issuing a certificate of authority.

(12) Fifty cents per page for furnishing copies of papers filed with the supervisor.

(13) (~~(\$100.00)~~) \$300.00 for filing an application for approval of the supervisor for a bank, trust company or mutual savings bank to provide a satellite facility. In the event the application is for approval of the supervisor to provide more than one such satellite facility, the filing fee on such a multiple application is (~~(\$100.00)~~) \$300.00 for the first such satellite facility and (~~(\$50.00)~~) \$100.00 for each additional satellite facility. This fee shall be deemed to include the cost of processing the application and the cost of an attendant investigation, but if the cost therefor (computed at \$20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds the filing fee, the applicant shall pay such excess when ascertained by the supervisor.

(14) (~~(\$25.00)~~) \$100.00 for the issuance of a certificate of approval to provide a satellite facility.

(15) \$200.00 for issuing certificate of approval for capital notes.

AMENDATORY SECTION (Amending Order 31, filed 10/2/75)

WAC 50-12-050 LIMITING LOANS TO OFFICERS. If approved by resolution of its board of directors as required by law, a bank may make the following loans to any of its officers: (1) A loan, not exceeding (~~(\$40,000.00)~~) \$60,000.00 to any of its officers if, at the time the loan is made:

(a) It is secured by a first lien on a dwelling which is expected, after the making of the loan, to be owned by the officer and used by him as his residence; and

(b) No other loan made by the bank to the officer under authority of this subparagraph is outstanding;

(2) In addition to (1) above, a bank may make extensions of credit to any officer of a bank, not exceeding the aggregate amount of (~~(\$10,000.00)~~) \$20,000.00 outstanding at any one time, to finance the education of the children of the officer; and

(3) A bank, in addition to loans made pursuant to subparagraphs (1) and (2) above, may make extensions of credit to its officers not exceeding the aggregate amount of (~~(\$5,000.00)~~) \$10,000.00 outstanding at any one time;

PROVIDED: That total liability to the bank of such officer does not exceed the limit prescribed in RCW 30.04.110.