

**WAC 208-460-170 Definitions.** For purposes of this chapter, the following definitions apply:

(1) The "amount" of a MBL includes:

- (a) Any unfunded commitment to make the loan;
- (b) The outstanding balance of the loan; and
- (c) Any undisbursed proceeds of the loan.

(2) A person is "associated" with another if they have a shared ownership, investment, or other pecuniary interest in a business or commercial endeavor.

(3) A "business purpose" loan means a loan where the borrower intends to use the proceeds for any of the purposes listed in WAC 208-460-010(1).

(4) "Development or construction loan" is a financing arrangement for acquiring real property or rights to real property, including land or structures, with the intent to develop or improve it for:

- (a) Residential housing for sale;
- (b) Income property;
- (c) Commercial use;
- (d) Industrial use; or
- (e) Similar uses.

(3) "Immediate family member" is a spouse or other family member living in the same household.

(4) "Loan-to-value ratio" or "LTV ratio" is derived by dividing:

(a) The amount of all member business loans by the credit union and loans by other lenders secured by an item of collateral, by

(b) The market value of the item of collateral.

(5) "Member business loan" or "MBL" is defined in WAC 208-460-010.

(6) "NCUA" means the National Credit Union Administration.

(7) "Net worth" is retained earnings as defined under Generally Accepted Accounting Principles. Retained earnings normally includes undivided earnings, regular reserves and any other appropriations designated by management or regulatory authorities. Net worth does not include the allowance for loan and lease losses.

[Statutory Authority: RCW 31.12.426(1), 31.12.516(2), 43.320.040. WSR 01-10-084, § 208-460-170, filed 5/1/01, effective 6/1/01.]