

**WAC 208-512A-130 Loans to subsidiaries and corporate groups.**

(1) Loans or extensions of credit to a person and its subsidiaries or to subsidiaries of one person will not be combined where the person and its subsidiaries are not engaged in a "common enterprise" as defined in WAC 208-512A-100(2).

(2) If members of a corporate group (a person and all its subsidiaries) are either:

(a) "Substantially financially interdependent," as defined in WAC 208-512A-100(3); or

(b) Engaged in "common enterprise," as defined in WAC 208-512A-100(2), then the total amount of loans or extensions of credit to these persons must be attributed to each of the other persons in the corporate group.

Conversely, if members of a corporate group are neither substantially financially interdependent nor engaged in "common enterprise," then the loans to different members are separately subject to a twenty percent limitation. In no event may the total amount of loans or extensions of credit by a state bank to a corporate group exceed fifty percent of the bank's capital and surplus.

(3) For purposes of this section, a corporation or a limited liability company is a subsidiary of a person if the person owns or beneficially owns, directly or indirectly, more than fifty percent of the voting securities or voting interests of the corporation or limited liability company.

[Statutory Authority: RCW 30.04.030, 30.04.111, 30.04.215, 30.08.140, 32.08.157, 43.320.040, and 43.320.050 and Section 611 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (codified as section 18(y) of the Federal Deposit Insurance Act, 12 U.S.C. §1828(y)), which takes effect January 21, 2013. WSR 13-03-037, § 208-512A-130, filed 1/8/13, effective 2/8/13.]