

mined under subsection (3) of this section multiplied by the deficiencies reported by an employer.

(5) From time to time, the department may review and adjust the charge calculated under subsection (3) of this section.

(6) Additional administrative fees are due and payable the 15th day of the calendar month following the month that the statement is dated.

[Statutory Authority: RCW 41.50.050 and 41.50.110 (3)(c). 95-12-058, § 415-115-080, filed 6/2/95, effective 7/3/95. Statutory Authority: RCW 41.50.050 and 41.50.110(3). 92-16-032 § 415-115-080, filed 7/29/92, effective 8/29/92. Statutory Authority: Chapter 43.05 [34.05] RCW, RCW 41.50.050 and 41.50.110(3). 91-13-030, § 415-115-080, filed 6/12/91, effective 7/13/91.]

**WAC 415-115-120 Reconsideration of additional administrative fee billing.** (1) An employer who has received a billing for untimely or inaccurate reporting under this chapter may request a reconsideration of the billing. The employer must request reconsideration within six months of the date that the billing was issued by the department. The employer must state the reason why, and present evidence that, the specific assessment was not untimely or inaccurate.

(2) In instances where an additional administrative fee has been assessed incorrectly, the department will credit the employer's account in the amount of the incorrect assessment. An employer must provide suitable verification of the incorrectness of the assessment. An employer will be credited only for those reporting deficiencies charged to the employer for which the employer is not responsible.

[Statutory Authority: RCW 41.50.050 and 41.50.110 (3)(c). 95-12-058, § 415-115-120, filed 6/2/95, effective 7/3/95. Statutory Authority: Chapter 43.05 [34.05] RCW, RCW 41.50.050 and 41.50.110(3). 91-13-030, § 415-115-120, filed 6/12/91, effective 7/13/91.]

## Title 419 WAC

### FINANCIAL INSTITUTIONS, DEPARTMENT OF (SAVINGS AND LOAN ASSOCIATIONS, DIVISION OF)

#### Chapters

- 419-18 Examination and supervision charges for credit unions.**  
**419-70 Credit union common bond definition.**  
**419-72 Credit union field of membership expansion.**

#### Chapter 419-18 WAC

#### EXAMINATION AND SUPERVISION CHARGES FOR CREDIT UNIONS

#### WAC

- 419-18-020 Collection of examination and supervision costs—  
Collection method.  
419-18-030 Hourly charge for examinations.

[1996 WAC Supp.—page 1512]

- 419-18-040 Semiannual asset charge.  
419-18-045 Credit unions examination fund—Minimum cash balance—Acceleration of semiannual asset charge.  
419-18-050 Hourly charge for legal assistance.  
419-18-060 Hourly charge for supervisory review of examinations.  
419-18-070 Hourly charge for special examinations.  
419-18-080 Scheduled increases in rate of examination and supervision charges.

**WAC 419-18-020 Collection of examination and supervision costs—Collection method.** The requirement of RCW 31.12.545 that the director collect from each credit union the actual costs of examinations and supervision shall be met in accordance with the procedures established in this chapter. The charges for this purpose shall consist of: (1) An hourly charge for conducting an examination of the credit union, (2) a semiannual asset charge, (3) an hourly charge for legal assistance, (4) an hourly charge for supervisory review of examinations, and (5) an hourly charge for special examinations. Charges must be paid promptly when due.

[Statutory Authority: RCW 31.12.535 and 31.12.545. 95-06-066, § 419-18-020, filed 2/28/95, effective 3/31/95. Statutory Authority: RCW 31.12.320, 83-20-027 (Order 83-4), § 419-18-020, filed 9/26/83; 82-13-016 (Order 82-5), § 419-18-020, filed 6/7/82.]

#### **WAC 419-18-030 Hourly charge for examinations.**

(1) The hourly charge for hours spent by personnel of the credit union division in conducting examinations shall be assessed as follows:

- (a) For division personnel classified as analyst, \$42.48 per hour;  
 (b) For division personnel classified as senior analyst, \$47.79 per hour; and  
 (c) For division personnel classified as review analyst or above, \$53.10 per hour.

(2) In addition, the director may charge the actual cost of examinations performed under personal service contracts by third parties.

(3) The director shall submit a statement for the charges following the completion of any applicable examination, and the charges must be paid not later than thirty days after submission of the statement.

(4) The rate of the charges set forth in subsection (1) of this section is subject to increase as provided in WAC 419-18-080.

[Statutory Authority: RCW 31.12.535 and 31.12.545. 95-06-066, § 419-18-030, filed 2/28/95, effective 3/31/95; 91-06-062, § 419-18-030, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.545(1). 85-07-008 (Order 85-2), § 419-18-030, filed 3/8/85. Statutory Authority: RCW 31.12.320. 82-13-016 (Order 82-5), § 419-18-030, filed 6/7/82.]

**WAC 419-18-040 Semiannual asset charge.** (1) The semiannual asset charge will be assessed at a rate of 3.1863 cents per thousand dollars of total assets (defined below), computed on total assets as of March 31 and September 30 of each calendar year, and payable no later than fifteen days after the respective date. Credit unions with total assets of less than two hundred thousand dollars as of a particular assessment date are not required to pay the asset charge for that assessment date.

(2) For the purpose of this section, "total assets" includes all assets held by a Washington chartered credit

union whether held within this state or a branch in another state and assets of foreign credit unions held through branches within the state of Washington. However, the director may waive the assessment of asset charges on assets held by Washington chartered credit unions through branches within other states based upon reciprocal agreements with the foreign state's regulatory authority. The assessment of asset charges set forth in this section is subject to acceleration as provided in WAC 419-18-045.

(3) The rate of the charges set forth in this section is subject to increase as provided in WAC 419-18-080.

[Statutory Authority: RCW 31.12.535 and 31.12.545. 95-06-066, § 419-18-040, filed 2/28/95, effective 3/31/95; 91-06-062, § 419-18-040, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.545(1). 85-07-008 (Order 85-2), § 419-18-040, filed 3/8/85. Statutory Authority: RCW 31.12.320. 83-20-027 (Order 83-4), § 419-18-040, filed 9/26/83; 82-13-016 (Order 82-5), § 419-18-040, filed 6/7/82.]

**WAC 419-18-045 Credit unions examination fund—Minimum cash balance—Acceleration of semiannual asset charge.** (1) The director shall use best efforts to maintain a minimum cash balance in the credit unions examination fund of at least one month's allotment (defined below). However, if the balance drops below this figure, the director may declare the next semiannual asset charge due and payable within thirty days after the declaration. The charge will be based on the then most current report of condition of each credit union. The director will bill each credit union for the accelerated asset charge; payment is in lieu of the next regularly scheduled semiannual asset charge.

(2) For the purpose of this section, "one month's allotment" means the quotient resulting from the division of the amount of the then current biennial budget (of the credit union division) by twenty-four.

[Statutory Authority: RCW 31.12.535 and 31.12.545. 95-06-066, § 419-18-045, filed 2/28/95, effective 3/31/95.]

**WAC 419-18-050 Hourly charge for legal assistance.** (1) The hourly charge for legal assistance rendered by an assistant attorney general shall be assessed at the rate of \$63.72 per hour. Legal assistance includes, but is not limited to, legal assistance rendered in connection with supervisory committee meetings and board meetings; preparation and enforcement of removal actions, involuntary liquidations, declarations of insolvency, cease and desist orders, and other agreements or actions; preparation for administrative hearings; and preparation of memorandum opinions and legal opinions.

(2) The rate of the charges set forth in this section is subject to increase as provided in WAC 419-18-080.

[Statutory Authority: RCW 31.12.535 and 31.12.545. 95-06-066, § 419-18-050, filed 2/28/95, effective 3/31/95; 91-06-062, § 419-18-050, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.320. 83-20-027 (Order 83-4), § 419-18-050, filed 9/26/83.]

**WAC 419-18-060 Hourly charge for supervisory review of examinations.** (1) Upon completion of each examination, the analyst's report shall be reviewed and an examination letter prepared by administrative personnel. The hourly charge for the review and preparation of the examination letter will be assessed at the rate of \$53.10 per hour.

(2) The rate of the charges set forth in this section is subject to increase as provided in WAC 419-18-080.

[Statutory Authority: RCW 31.12.535 and 31.12.545. 95-06-066, § 419-18-060, filed 2/28/95, effective 3/31/95; 91-06-062, § 419-18-060, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.545(1). 85-07-008 (Order 85-2), § 419-18-060, filed 3/8/85. Statutory Authority: RCW 31.12.320. 83-20-027 (Order 83-4), § 419-18-060, filed 9/26/83.]

**WAC 419-18-070 Hourly charge for special examinations.** (1) Special examinations will be assessed at the rate of \$53.10 per hour, per examiner. Special examinations include, but are not limited to, electronic data processing examinations, special investigations, special investigations in the course of processing applications, special examinations involving the division's staff supervisory personnel, and other special examinations and reviews the director deems necessary.

(2) The rate of the charges set forth in this section is subject to increase as provided in WAC 419-18-080.

[Statutory Authority: RCW 31.12.535 and 31.12.545. 95-06-066, § 419-18-070, filed 2/28/95, effective 3/31/95; 91-06-062, § 419-18-070, filed 3/1/91, effective 4/1/91. Statutory Authority: RCW 31.12.545(1). 85-07-008 (Order 85-2), § 419-18-070, filed 3/8/85. Statutory Authority: RCW 31.12.320. 83-20-027 (Order 83-4), § 419-18-070, filed 9/26/83.]

**WAC 419-18-080 Scheduled increases in rate of examination and supervision charges.** (1) The rate of charges set forth in WAC 419-18-030, 419-18-040, 419-18-050, 419-18-060, and 419-18-070 will increase:

(a) On August 1, 1995, by 5.13 percent (the fiscal growth factor for fiscal 1996); and

(b) On August 1 of each year thereafter, by the fiscal growth factor for the then current fiscal year, if the cash balance of the credit unions examination fund dropped below \$300,000 at any time during the prior fiscal year. For example, if the cash balance of the credit unions examinations fund drops below \$300,000 during fiscal year 1996, the rate of the credit union division's examination and supervision charges will increase, effective August 1, 1996, by the fiscal growth factor for fiscal year 1997.

(2) The assistant director will notify credit unions of any rate increase under subsection (1)(b) of this section at least one month before the increase takes effect.

(3) For the purposes of this section,

(a) "Fiscal year" means the period beginning July 1 through the following June 30. Fiscal years are denoted by the last year in the period. For example, fiscal year 1997 means the period July 1, 1996 through June 30, 1997.

(b) "Fiscal growth factor" means the fiscal growth factor as defined in RCW 43.135.025 and established by the Washington state office of financial management.

[Statutory Authority: RCW 31.12.535 and 31.12.545. 95-06-066, § 419-18-080, filed 2/28/95, effective 3/31/95.]

## Chapter 419-70 WAC

### CREDIT UNION COMMON BOND DEFINITION

WAC

419-70-010 through 419-70-050 repealed.

DISPOSITION OF SECTIONS FORMERLY  
CODIFIED IN THIS CHAPTER

419-70-010	Purpose. [Statutory Authority: RCW 31.12.045(1) and 31.12.535. 89-16-083 (Order 89-2), § 419-70-010, filed 8/1/89, effective 9/1/89.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.	419-72-040	5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. Overlap justification. [Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-040, filed 12/6/89, effective 1/6/90.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.
419-70-020	General requirement. [Statutory Authority: RCW 31.12.045(1) and 31.12.535. 89-16-083 (Order 89-2), § 419-70-020, filed 8/1/89, effective 9/1/89.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.	419-72-055	Other information. [Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-055, filed 12/6/89, effective 1/6/90.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.
419-70-030	Common bond of occupation. [Statutory Authority: RCW 31.12.045(1) and 31.12.535. 89-16-083 (Order 89-2), § 419-70-030, filed 8/1/89, effective 9/1/89.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.	419-72-090	Adoption of form. [Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-090, filed 12/6/89, effective 1/6/90.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.
419-70-040	Common bond of association. [Statutory Authority: RCW 31.12.045(1) and 31.12.535. 89-16-083 (Order 89-2), § 419-70-040, filed 8/1/89, effective 9/1/89.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.	419-72-095	Appendix 1—Request for bylaw amendment. [Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-095, filed 12/6/89, effective 1/6/90.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.
419-70-050	Common bond of community. [Statutory Authority: RCW 31.12.045(1) and 31.12.535. 89-16-083 (Order 89-2), § 419-70-050, filed 8/1/89, effective 9/1/89.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.		

**WAC 419-70-010 through 419-70-050 Repealed.**  
See Disposition Table at beginning of this chapter.

## Chapter 419-72 WAC

CREDIT UNION FIELD OF MEMBERSHIP  
EXPANSION

WAC	
419-72-010	Purpose.
419-72-012	General requirement.
419-72-015	Definitions.
419-72-020	Inclusion of a group with a common bond of occupation.
419-72-025	Application to include a separate occupational group.
419-72-030	Repealed.
419-72-035	Repealed.
419-72-040	Repealed.
419-72-041	Streamlined procedure for small occupational groups.
419-72-045	Inclusion of a group with a common bond of association.
419-72-050	Application to include a separate associational group.
419-72-055	Repealed.
419-72-060	Inclusion of a community group.
419-72-065	Application to include a separate community group.
419-72-070	Application deemed complete.
419-72-075	Approval of application.
419-72-080	Special circumstances.
419-72-090	Repealed.
419-72-095	Repealed.

DISPOSITION OF SECTIONS FORMERLY  
CODIFIED IN THIS CHAPTER

419-72-030	Consolidation. [Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-030, filed 12/6/89, effective 1/6/90.] Repealed by 95-09-049, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535.
419-72-035	Other information. [Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-035, filed 12/6/89, effective 1/6/90.] Repealed by 95-09-049, filed 4/17/95, effective

**WAC 419-72-010 Purpose.** This chapter is adopted by the director for the purpose of establishing the application process for a credit union to include in its field of membership a separate group:

- (1) With a common bond of occupation or association;
- or
- (2) That constitutes a community.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-010, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-010, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-012 General requirement.** RCW 31.12.045 limits credit union membership "to groups having a common bond of occupation or association, or to groups within a well-defined neighborhood, community, or rural district." Consequently, any group included within the field of membership of a credit union must:

- (1) Share a common bond of occupation or association;
- or
- (2) Constitute a community.

A credit union may include different types of groups in its field of membership.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-012, filed 4/17/95, effective 5/18/95.]

**WAC 419-72-015 Definitions.** Unless the context clearly requires otherwise, as used in this chapter:

(1) "Affiliate" of an enterprise means a person that controls, is controlled by, or is under common control with, the enterprise. "Control" means twenty-five percent or greater stock ownership.

(2) "Common bond of association" means a current, unifying factor among a group of natural persons, that is based on membership in a bona fide organization whose primary purpose is other than providing eligibility for credit union services. Such an organization must be primarily composed of natural persons who are eligible to participate in the organization's activities. Such an organization also

must have clearly defined membership eligibility and must hold regular meetings at least once each year.

Persons aged fifty or over, retired persons, and matriculating students of an accredited college or university, who are members of an identified organization, other than general members of the applicant's credit union, are deemed to have a common bond of association. The organization need not satisfy the requirements set forth in the prior paragraph.

(3) "Common bond of occupation" means a current, unifying factor among a group of natural persons that is based on employment by or a work-related relationship with an enterprise. The group may include only the following categories of persons:

(a) Employees of the enterprise, and their family members;

(b) Employees of any subsidiaries of the enterprise, and their family members;

(c) Employees of the affiliates of the enterprise, and their family members;

(d) Nonemployee officials of the enterprise, and their family members; and

(e) Natural persons under contract to work regularly for the enterprise, and their family members.

Each of these categories may be included if they are separately identified in the credit union's bylaws.

(4) "Community" means a current unifying factor among a group of natural persons, that is based on residence or employment within a well-defined and relatively limited geographic area, with a relatively limited population, that is recognized by those who live or work there as a neighborhood, community, or rural district.

For example, the city of Seattle and King County do not constitute a community for this purpose, because they do not have a relatively limited population. On the other hand, the city of Chelan and Chelan school district are within a well-defined and relatively limited geographic area, with a relatively limited population, and may constitute a community if they are recognized by those who live or work there as a neighborhood, community or rural district. (These examples are based on circumstances existing on December 1, 1994.)

(5) "Credit union" means a credit union organized and operating under chapter 31.12 RCW.

(6) "Director" means the director of the Washington state department of financial institutions.

(7) "Number of potential members" means the sum of:

(a) The number of actual members of the applicant credit union; and

(b) The number of employees or members (as appropriate) of the group applied for.

(8) "Required number" means:

(a) If the number of employees or members (as appropriate) of the specified group is two thousand one or more, the required number is at least five percent of the number of these individuals (rounded up to the nearest whole number).

(b) If the number of employees or members (as appropriate) of the specified group is from three hundred thirty to two thousand, the required number is at least one hundred of these individuals.

(c) If the number of employees or members (as appropriate) of the specified group is three hundred twenty-nine or

less, the required number is at least thirty percent of the number of these individuals (rounded up to the nearest whole number).

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-015, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-015, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-020 Inclusion of a group with a common bond of occupation.** Except as permitted by WAC 419-72-041, if a credit union wants to include a separate group with a common bond of occupation in its field of membership, it must make application to the director to amend its bylaws in accordance with RCW 31.12.115. The application must be submitted to the director in duplicate and must include the information as required by WAC 419-72-025.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-020, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-020, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-025 Application to include a separate occupational group.** (1) The application to include a separate group with a common bond of occupation must include at least the following information:

(a) The name of the applicant credit union;

(b) Evidence that the applicant's board of directors has complied with the notice and voting requirements of RCW 31.12.115;

(c) A description of the enterprise including its name, number of employees, and the geographic location of those employees. The categories of persons specified in WAC 419-72-015(2) that are included in the group must be separately identified;

(d) A statement from an officer of the enterprise:

(i) That the enterprise desires membership for its employees in the applicant; and

(ii) Whether its employees are currently eligible for membership, based upon such employment, in another state or federally chartered credit union. If the employees of the enterprise are eligible for membership in another credit union based upon such employment, the applicant must make best efforts to provide a statement of nonobjection from the other credit union.

(2) In addition, the application must also include the following information if applicable:

(a) If the number of potential members of the applicant exceeds one hundred twenty percent of the number of its actual members, then the following information must also be submitted:

(i) A copy of the applicant's most recent monthly financial statement;

(ii) A copy of the applicant's plan or other document demonstrating its ability and intent to provide service to the new group and specific plans relating anticipated growth to capital levels.

(b) If the number of employees of the enterprise exceeds five hundred, then the following must also be submitted:

(i) An analysis whether the group has sufficient size and resources to form a credit union of its own;

(ii) Documentation concerning compliance with plans on penetration and service submitted with previously approved applications for inclusion of a group in the applicant's field of membership;

(iii) Documentation that the applicant has given written notice to all other credit unions headquartered in this state, both state and federally chartered, that have a staffed office in any county in which the offices of the enterprise are located. Credit unions entitled to receive the notice will be given twenty days following receipt of the notice to submit to the department any comments on the application.

(3) If the applicant cannot obtain the letter of nonobjection described in subsection (1)(d) of this section, after having made a best efforts attempt to do so, it must submit documentation that:

(a) The required number of employees of the enterprise desire membership in the applicant; or

(b) The other credit union has failed to adequately serve the group after a reasonable period of time, and how the applicant plans to improve this service.

The applicant must supply a copy of the information required in (a) and (b) of this subsection to the other credit union, which will be given sixty days following receipt of such information to submit to the department any comments on the overlap.

This subsection (3) does not apply to overlaps arising out of merger-type transactions between enterprises.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-025, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-025, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-030 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 419-72-035 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 419-72-040 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 419-72-041 Streamlined procedure for small occupational groups.** (1) Credit unions may apply to the director for approval of an enabling bylaw amendment ("enabling amendment") that enables them to use the streamlined procedure set forth in this section ("SOG procedure") to include small groups with a common bond of occupation ("small occupational groups" or "SOGs") in their field of membership.

(2) The credit union must first apply to the director for approval of an enabling amendment that satisfies the requirements of this section and which complies with RCW 31.12.115. The director shall approve or deny the application in accordance with WAC 419-72-075. Once the application has been approved by the director, the credit union may immediately begin serving SOGs in compliance with this section and the enabling amendment. The enabling amendment may not be amended without the prior approval of the director.

(3) The enabling amendment will in substance permit a credit union to add a SOG to its field of membership if:

(a) The enterprise is located within twenty-five miles from one of the credit union's service facilities;

(b) The enterprise has provided a written request to the credit union for service;

(c) The employees of the enterprise do not have credit union service available based on such employment;

(d) The number of employees of the enterprise do not exceed one hundred or any larger maximum number as authorized by the director; and

(e) The group is included in the credit union's field of membership as specifically identified in amendments to the credit union's bylaws. Such amendments do not require the director's approval.

(4) The credit union must maintain a control log of SOGs included in its field of membership. The control log must include the board approval of the group, the date of the board approval, the name and location of the enterprise, the number of employees included, and the number of miles to the nearest main or branch office of the enterprise.

(5) The size limit of a SOG is based on the number of employees of the enterprise at the time the bylaws are amended to include the SOG; the size limit does not apply to family members of employees or categories of persons that it may be permissible to include in the group pursuant to the definition of a common bond of occupation in WAC 419-72-015(2). Several groups may be included simultaneously using the SOG procedure, however the number of employees in each SOG must be within the SOG size limit.

(6) The director may revoke the ability of a credit union to use the SOG procedure if the director determines that it is being used to circumvent the regular procedure for inclusion of occupational groups in the credit union's field of membership.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-041, filed 4/17/95, effective 5/18/95.]

**WAC 419-72-045 Inclusion of a group with a common bond of association.** If a credit union wants to include a separate group with a common bond of association in its field of membership it must make application to the director to amend its bylaws in accordance with RCW 31.12.115. The application must be submitted to the director in duplicate and must include the information as required by WAC 419-72-050.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-045, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-045, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-050 Application to include a separate associational group.** (1) The application to include a separate group with a common bond of association must include at least the following information:

(a) The name of the applicant credit union;

(b) Evidence that the applicant's board of directors has complied with the notice and voting requirements of RCW 31.12.115;

(c) A detailed description of the group including its charter or articles of incorporation, its bylaws, the qualifications and requirements for membership, and the number and geographic location of its current members;

(d) A resolution from the petitioning group's governing body:

(i) That the members have been informed of the proposal to affiliate with the applicant and desire to be associated with the applicant;

(ii) Whether the members of the group are currently eligible for membership, based upon their association, in a state or federally chartered credit union. If the members of the association are eligible for membership in another credit union based upon membership in the association, the applicant must make best efforts to provide a statement of nonobjection from the other credit union;

(e) A statement by the applicant that its direct marketing efforts will be aimed at active members of the group and that the group will not be used as a vehicle for opening eligibility for credit union membership to the general public;

(2) In addition, the application must also include the following information if applicable:

(a) If the number of potential members of the applicant exceeds one hundred twenty percent of its actual members, then the following information must also be submitted:

(i) A copy of the applicant's most recent monthly financial statement;

(ii) A copy of the applicant's plan or other document demonstrating its ability and intent to provide service to the new group and specific plans relating anticipated growth to capital levels.

(b) If the number of members of the association exceeds five hundred, then the following information must also be submitted:

(i) An analysis whether the group has sufficient size and resources to form a credit union of its own;

(ii) Documentation concerning compliance with plans on penetration and service submitted with previously approved applications for inclusion of a group in the applicant's field of membership;

(iii) Documentation that the applicant has given written notice to all other credit unions headquartered in the state, both state and federally chartered, that have a staffed office in any county in which members of the association reside. Credit unions entitled to receive the notice will be given twenty days following receipt of the notice to submit to the department any comments on the application.

(3) If the applicant cannot obtain the letter of nonobjection described in subsection (1)(d) of this section, after having made a best efforts attempt to do so, it must submit documentation that:

(a) The required number of members of the association desire membership in the applicant; or

(b) The other credit union has failed to adequately serve the group after a reasonable period of time, and how the applicant plans to improve this service.

The applicant must supply a copy of the information required in (a) and (b) of this subsection to the other credit union, which will be given sixty days following receipt of such information to submit to the department any comments on the overlap.

This subsection (3) does not apply to overlaps arising out of merger-type transactions between associations.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-050, filed 4/17/95, effective 5/18/95. Statutory Authority:

RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-050, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-055 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 419-72-060 Inclusion of a community group.** If a credit union wants to include in its field of membership a separate group which constitutes a community, it must make application to the director to amend its bylaws in accordance with RCW 31.12.115. The application must be submitted to the director in duplicate and must include the information as required by WAC 419-72-065.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-060, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-060, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-065 Application to include a separate community group.** The application to include a community must include at least the following information:

(1) The name of the applicant credit union;

(2) Evidence that the applicant's board of directors has complied with the notice and voting requirements of RCW 31.12.115;

(3) A detailed description of the community, neighborhood or rural district including a map setting forth its geographic boundaries and its current population;

(4) A detailed description of how the proposed community meets the definition set forth in WAC 419-72-015(3);

(5) Letters of support from community organizations and/or residents of the area demonstrating their desire to be associated with the applicant and their willingness to support its objectives;

(6) Any other information that demonstrates the community's desire to have the services of a credit union;

(7) A copy of the applicant's most recent monthly financial statement;

(8) A copy of the applicant's plan or other document demonstrating its ability and intent to provide service to the new group and specific plans relating anticipated growth to capital levels. Among other provisions, the plan or other document must include a provision that the applicant will not conduct direct marketing aimed at any occupational or associational group with an office in the community if the group is included in the field of membership of another state or federally chartered credit union. In addition, applicants are encouraged to include provision in the plan or other document for active participation in community activities;

(9) Evidence that the applicant has given written notice to all other credit unions headquartered in the state, both state and federally chartered, that have staffed offices in or within five miles of the boundaries of the community. Credit unions entitled to receive the notice will be given twenty days following receipt of the notice to submit to the department any comments on the application; and

(10) Documentation concerning compliance with plans on penetration and service submitted with previously approved applications for inclusion of a group in the applicant's field of membership.



[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-065, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-065, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-070 Application deemed complete.** An application filed pursuant to this chapter is deemed complete when:

(1) The director has received all of the information required by this chapter;

(2) If the applicant credit union is required to provide notice to other credit unions pursuant to WAC 419-72-025(2), 419-72-050(2) or 419-72-065(9), at least twenty days have passed since the applicant gave the notice to other credit unions; and

(3) If the applicant is required to supply certain information to another credit union pursuant to WAC 419-72-025(3) or 419-72-050(3), at least sixty days have passed since the applicant supplied the required information to the other credit union.

If an incomplete application is received, the director will give written notice to the applicant no later than thirty days from the date the original application was received that further information is necessary. The applicant will be allowed thirty days after receipt of the notice to provide the requested information.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-070, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-070, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-075 Approval of application.** The director shall give written approval or denial of an application made in conformance with this chapter within thirty days from the date it is deemed complete. The director's decision will take into consideration the following general criteria and other issues or facts that may be relevant to the application:

(1) Whether the application is consistent with the provisions of chapter 31.12 RCW and this chapter;

(2) Whether the applicant credit union is currently operating in conformance with the provisions of chapter 31.12 RCW, applicable rules in Title 419 WAC, and written supervisory orders, directives and agreements;

(3) Whether the proposed new group possesses a common bond of occupation or association, or constitutes a community, as defined in WAC 419-72-015;

(4) If the application involves the inclusion of a group based on a common bond of occupation or association, whether the proposed new group has sufficient size and resources to form a credit union of its own;

(5) Whether the applicant is in a safe and sound condition and possesses the financial and managerial capability to provide credit union service to the proposed group in a safe and sound manner;

(6) Whether the applicant has complied with plans on penetration and service submitted with previously approved applications for inclusion of a group in the applicant's field of membership;

(7) Whether approval of the application might reasonably threaten the viability of another credit union;

(8) Whether the applicant is using the inclusion of the group as a marketing strategy to preempt expansion by other credit unions; and

(9) Whether approval of the application will adversely impact the safety and soundness of the applicant.

The approval of a credit union's application for inclusion of a community group in its field of membership will not preclude approval of another credit union's application to include the same or a portion of the same community group in its field of membership.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-075, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-075, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-080 Special circumstances.** An applicant credit union may request that one or more of the provisions of this chapter be waived if an emergency exists which requires immediate inclusion of a separate group in order to preserve the viability of the applicant. The request for waiver may be granted if, in the opinion of the director, the request has a reasonable probability of remedying an emergency situation.

[Statutory Authority: RCW 31.12.045, [31.12].115 and [31.12].535. 95-09-049, § 419-72-080, filed 4/17/95, effective 5/18/95. Statutory Authority: RCW 31.12.045(2), 31.12.115, 31.12.516 and 31.12.535. 89-24-085 (Order 89-3), § 419-72-080, filed 12/6/89, effective 1/6/90.]

**WAC 419-72-090 Repealed.** See Disposition Table at beginning of this chapter.

**WAC 419-72-095 Repealed.** See Disposition Table at beginning of this chapter.

## Title 434 WAC SECRETARY OF STATE

### Chapters

- 434-55 Limited partnership filings—Centralized system.**
- 434-110 Corporation filing procedures and special fees.**
- 434-120 Charitable solicitation organizations and charitable trusts.**
- 434-135 Limited liability partnerships.**

### Chapter 434-55 WAC

#### LIMITED PARTNERSHIP FILINGS— CENTRALIZED SYSTEM

#### WAC

434-55-065 In-person or expedited counter service—Special fees.

**WAC 434-55-065 In-person or expedited counter service—Special fees.** (1) The corporations division counter