

TRANSMITTAL OF RULES ADOPTED

FROM: SUPERVISOR OF BANKING, DEPARTMENT OF GENERAL ADMINISTRATION  
(Name of Agency)

TO: CODE REVISER  
LEGISLATIVE BLDG (Southwest Corner, Ground Floor)  
Olympia 98501

The enclosed Permanent rules  , being order No. 3  
Emergency rules

relating to (Name of rules or description of subject matter)

Characterization of "Federal fund transactions."

(ALTERNATIVE A. Use only for adoption of permanent rules)

pursuant to Notice No. 2178 ① filed with the code reviser  
on Oct. 17, 68 ② were regularly adopted as permanent rules of this  
(date) General Administration Building,  
agency at Olympia, Washington on Nov. 14, 1968 and are herewith  
(place) (date)  
filed in the office of the code reviser pursuant to chapter 34.04  
RCW. The effective date of such rules shall be \_\_\_\_\_ ③

(ALTERNATIVE B. Use only for adoption of emergency rules)

pursuant to its finding that the immediate adoption of  
these rules 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 the public interest,  
were regularly adopted as emergency rules of this agency at  
\_\_\_\_\_ on \_\_\_\_\_ and are herewith filed in  
(place) (date)  
the office of the code reviser pursuant to chapter 34.04 RCW.

Dated this 20th day of December 1968.

STATE OF WASHINGTON  
**FILED**  
DEC 23 1968  
CODE REVISER'S OFFICE  
KET 7218 FILE # III

DEPARTMENT OF GENERAL ADMINISTRATION  
(AGENCY)

*[Signature]*  
BY FRANK COOPER

Title Supervisor of Banking

- ① NOTICE NUMBER AS APPEARS ON THE COPY OF NOTICE RETURNED TO YOU BY REVISER'S OFFICE (IF PROCEEDINGS WERE CONTINUED, USE NO. OF LAST NOTICE)
- ② STAMPED DATE AS APPEARS ON THE COPY OF NOTICE RETURNED TO YOU BY REVISER'S OFFICE (IF PROCEEDINGS WERE CONTINUED, USE DATE OF LAST NOTICE)
- ③ UNLESS A LATER DATE IS SPECIFIED IN THIS ORDER OR IS PRESCRIBED IN ANOTHER STATUTE, RULES ARE EFFECTIVE 30 DAYS AFTER FILING: RCW 34.04.040. LEAVE THIS SPACE BLANK EXCEPT IN SUCH SPECIAL CASES.

STATE OF WASHINGTON

DEPARTMENT OF GENERAL ADMINISTRATION

DIVISION OF BANKING


ADMINISTRATIVE ORDER NO. 3

(1) I, FRANK COOPER, Supervisor of Banking of the State of Washington, by virtue of the authority vested in me under chapter 30.04 RCW, after filing Notice No. 2178 with the Code Reviser, notifying the press in accordance with RCW 42.32.010, and also notifying interested persons, held a meeting open to the public on November 14, 1968, as required by chapter 34.04 RCW and RCW 42.32.010, to promulgate and adopt a regulation for state banks and trust companies organized and governed under Title 30 RCW, as a permanent rule of this agency.

After considering written memorandums submitted prior to the hearing, and upon receiving oral evidence at the hearing, I hereby promulgate and adopt the annexed regulation.

(2) This order, after first being recorded in the order register of this agency, shall be forwarded to the Code Reviser for filing pursuant to RCW 34.04 and chapter 1-12 WAC.

APPROVED AND ADOPTED on November 14, 1968.

By   
FRANK COOPER  
Supervisor of Banking  
Department of General Administration

WAC 50-12-020 CHARACTERIZATION OF "FEDERAL FUND TRANSACTIONS." When a bank purchases funds for reserve purposes or sells excess funds to another bank so that such bank may meet its reserve requirements, these transactions between banks have been commonly referred to as "overnight borrowings," "overnight security transactions," or "federal fund transactions." "Federal fund transactions" would normally occur when member banks purchase funds for reserve purposes through the Federal Reserve System or when such banks sell excess funds through the Federal Reserve System to another member bank so that such bank may meet its reserve requirements. However, for the purpose of uniformity, all future transactions of this sort, whether through the Federal Reserve System or between banks, may be referred to as "Federal fund transactions."

This type of transaction takes the form of a transfer of funds from the seller to the buyer. Payment is usually made by the purchasing bank the following day in the amount of the funds purchased and for a specified fee.

Such a transaction does not create, on the part of the buyer, an obligation subject to RCW 30.04.140 but is considered a purchase of such funds.

Conversely, such a transaction does not create a loan or investment subject to RCW 30.04.110 on the part of the seller, but is to be considered a sale of such funds.