

TR. SMITTAL OF RULES ADOPTED

FROM: Department of General Administration, Division of Banking  
(Name of Agency)

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

The enclosed Permanent rules  , being order No. 8 \_\_\_\_\_  
Emergency rules  relating to (Name of rules or description of subject matter)

NEW WAC 50-12-070 -- Standards and procedures for charging off nonbankable assets. Affects banks, trust companies and mutual savings banks.

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

pursuant to Notice No. \_\_\_\_\_ ① filed with the code reviser on \_\_\_\_\_ ② were regularly adopted as permanent rules of this agency at \_\_\_\_\_ on \_\_\_\_\_ and are herewith 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 Olympia, Washington on 4/17/72 and are herewith filed in the office of the code reviser pursuant to chapter 34.04 RCW.

The undersigned hereby certifies that the requirements of chapter 34.04 RCW and of the Open Public Meetings Act of 1971, chapter 42.30 RCW (1971 ex.s. c 250) have been fulfilled.

Dated this 17th day of April 1972.

STATE OF WASHINGTON  
**FILED**  
APR 17 1972  
CODE REVISER'S OFFICE  
D KET #4038 FILE #111

Department of General Administration  
(AGENCY)  
Division of Banking  
By JOHN MCCARTHY  
Title Supervisor, Division 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.

THE STATE OF WASHINGTON  
DEPARTMENT OF GENERAL ADMINISTRATION  
DIVISION OF BANKING

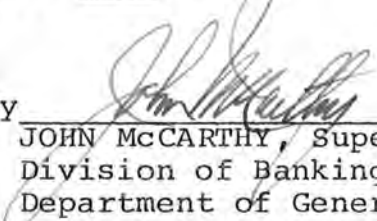
ADMINISTRATIVE ORDER NO. 8

(1) I, John McCarthy, Supervisor, Division of Banking, Department of General Administration, an agency of the state of Washington, by virtue of the authority vested in me under chapter 34.04 RCW, RCW 43.19.040 and Title 30 RCW, do promulgate the annexed rule and regulation, as an emergency rule of this agency.

(2) Effective supervision requires the immediate adoption of a rule by the Division of Banking concerning the charging off of assets by banks, mutual savings banks, and trust companies; consequently, the adoption of this rule is necessary for the preservation of the public health, safety, and general welfare and observance of the requirements of notice and opportunity to present views on the proposed action would be contrary to the public interest.

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

APPROVED AND ADOPTED April 17<sup>th</sup>, 1972.

By   
JOHN MCCARTHY, Supervisor  
Division of Banking  
Department of General Administration

NEW

WAC 50-12-070 NONBANKABLE ASSETS. In determining whether an asset of a bank, mutual savings bank or trust company is bankable all of the circumstances of the asset shall be weighed, including, but not limited to, the following:

- (1) Character of the borrower
- (2) Capacity of the borrower
- (3) Capital of the borrower
- (4) Collateral, sufficiency of
- (5) Economic conditions pertaining to the type of business in which the borrower is engaged
- (6) Conformance to general banking standards as then currently practiced in the banking industry.

If, in the examination of a bank, mutual savings bank or trust company, an examiner finds an asset which in his opinion, after weighing all the circumstances of the asset, is nonbankable, the supervisor may require that such asset be charged off the books of the bank, mutual savings bank or trust company.

Within fifteen (15) days after receiving written notice from the supervisor to charge off such asset, the bank, mutual savings bank or trust company, shall write the same off as an asset or file a written statement with the supervisor explaining why, in its opinion, the asset should not be so treated. After considering such written statement and within ten (10) days after receipt thereof, the supervisor will notify the bank in writing of his decision as to the treatment of the asset.