

TR SMITTAL OF RULES ADOPTED

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

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

The enclosed Permanent rules , being order No. 9
Emergency rules

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

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

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

pursuant to Notice No. 3442 ① filed with the code reviser
on 4/17/72 ② were regularly adopted as permanent rules of this
(date)
agency at Olympia, Washington on 5/9/72 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 6/9/72. 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.

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 9th day of May 1972.

STATE OF WASH. GTON
FILED
MAY 9 1972
CODE REVISER'S OFFICE
KET.# 407 | FILE # 1

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

- 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

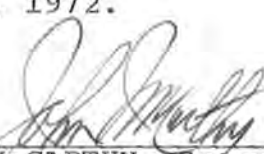
ADMINISTRATIVE ORDER NO. 9

(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, after filing Notice No. 3442 with the Code Reviser, and mailing the notice to all persons who had made timely requests of the Division of Banking and of the Department of General Administration for advance notice of its rule-making proceedings, and giving public notice as provided in chapter 42.30 RCW, held a meeting open to the public at the Office of the Supervisor of Banking, 111B General Administration Building, Olympia, Washington, on May 9, 1972, and after considering all written and oral comments, do promulgate and adopt the annexed rules and regulations, to wit: NEW WAC 50-12-070, as permanent rules of this agency.

(2) 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 ON May 9, 1972.

By



JOHN McCARTHY, Supervisor
Division of Banking
Department of General Administration

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 following the next meeting of the board of directors following receipt of written notice from the supervisor to charge off such asset, but in no event more than ~~forty-five~~ (45) days following receipt of such written notice, 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.