

2 **SHB 1085** - H COMM AMD **ADOPTED 2/13/92**

3 By Committee on Financial Institutions & Insurance

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5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 31.12 RCW  
8 to read as follows:

9 Directors and officers of a credit union stand in a fiduciary  
10 relationship to the credit union and shall discharge the duties of  
11 their respective positions in good faith and with that diligence, care,  
12 and skill which ordinary, prudent persons would exercise under similar  
13 circumstances in like position."

14 "NEW SECTION. **Sec. 2.** A new section is added to chapter 31.12 RCW  
15 to read as follows:

16 (1) No director, officer, employee, or other agent of any credit  
17 union may purchase, or be interested in the purchase, directly or  
18 indirectly, of any of its assets without the previous consent of a  
19 majority of disinterested directors of the credit union. If the fair  
20 market value of the asset or assets exceed ten thousand dollars, not  
21 less than ten days' prior notice of the sale shall be given to the  
22 supervisor.

23 (2) No director, officer, employee, or other agent of any credit  
24 union may, directly or indirectly, receive a bonus, commission,  
25 compensation, remuneration, gift, speculative interest, or gratuity of  
26 any kind from any person, firm, or corporation other than the credit  
27 union for granting, procuring, or endeavoring to procure, for any

1 person, firm, or corporation, any loan by or out of the funds of such  
2 credit union; or for the purchase or sale of any securities or property  
3 for or on account of such credit union.

4 (3) No credit union may enter into a written or oral contract with  
5 any person to provide goods, products, or services to or for the  
6 benefit of such credit union if the performance of such contract would  
7 adversely affect the safety or soundness of the institution.

8 (4) No credit union may contract for, or purchase from, any of its  
9 directors, officers, or employees or from any firm of which any of its  
10 directors, officers, or employees is an employee or has an ownership  
11 interest, any service or property unless such contract or purchase is  
12 made in the regular course of business upon terms not less favorable to  
13 the credit union than those offered to others.

14 (5) A violation of this section is a gross misdemeanor."

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18 On page 1, line 2 of the title, after "unions;" strike the  
19 remainder of the title and insert "adding new sections to chapter 31.12  
20 RCW; and prescribing penalties."