Title 50 WAC Banking, Division of

Title 50 WAC

BANKING, DIVISION OF

WAC 50–12–010 Minimum reserve requirements for state banks and trust companies—Computations. Every bank or trust company not a member of the Federal Reserve System shall maintain reserves on the following deposits, open account, that constitute deposits of individuals, such as Christmas club accounts and vacation club accounts, that are made under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits have been made during a period of not less than 3 months; and

(ii) 3% of its time deposits outstanding on November 28, 1974, which have an initial maturity of less than 180 days, or are issued on or after November 28, 1974, with an initial maturity of less than 180 days, plus 6% of such deposits in excess of $5 million; and

(iii) 3% of its time deposits outstanding on November 28, 1974, which have an initial maturity of 180 days or more, or are issued on or after November 28, 1974, with an initial maturity of 180 days or more; and

(iv) 1% of its time deposits outstanding on or issued after November 28, 1974, with an initial maturity of four years or more.

(3) In no case may the average of reserves on time and savings deposits be less than 3% for the computation period.

(4) Reserves shall be computed on the basis of semi-monthly periods commencing on the 10th day and 25th day of each month. Reserves for a Saturday, Sunday, or other holiday shall be computed on the basis of the deposits existing at the close of business on a preceding business day. When the reserve computation period ends with a nonbusiness day, or two or more consecutive non-business days, such nonbusiness days, may, at the option of the bank, be included in the next reserve computation period.

(5) Time certificates of deposit held by the bank or trust company shall not be included for purposes of computing the amount of available funds. [Statutory Authority: RCW 30.04.090. 79–10–107 (Order 42), § 50–12–010, filed 9/26/79; Order 38, § 50–12–010, filed 2/23/77; Order 35, § 50–12–010, filed 12/22/75; Order 12, § 50–12–010, filed 11/20/72; Order 2, § 50–12–010, filed 12/23/68; Order 1, § 50–12–010, filed 5/28/68, filed 3/1/66.]

Revisor's Note: RCW 34.04.058 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 50–12–040 Schedule of fees for banks, trust companies, mutual savings banks, and alien banks. The supervisor shall collect in advance the following fees: (1) $2,000.00 for filing application for a certificate of authority and attendant investigation for a new bank or trust company. If the cost therefor (computed on the basis of $20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds $2,000.00, the applicant shall pay such excess when ascertained by the supervisor.

(2) $1,500.00 for filing an application for certificate authorizing an alien bank to establish and operate an office in the State of Washington and attendant investigation. If the cost therefor (computed on the basis of $20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds $1,500.00, the applicant shall pay such excess when ascertained by the supervisor.

(3) $500.00 for filing an application for certificate authorizing an alien bank to establish and operate a bureau in the State of Washington. If the cost therefor (computed on the basis indicated in (1) and (2) above) exceeds $500.00, the applicant shall pay such excess when ascertained by the supervisor.

(4) $500.00 for filing an application for a certificate of authority for a branch and attendant investigation. If the cost therefor (computed on the basis of $20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds $500.00, the applicant shall pay such excess when ascertained by the supervisor.

(5) $500.00 for filing an application for a certificate conferring trust powers and attendant investigation. If the cost therefor (computed on the basis of $20.00 per man hour devoted by the division of banking to processing and investigating the application) exceeds $500.00, the applicant shall pay such excess when ascertained by the supervisor.

(6) $2,000.00 for filing merger agreement and attendant investigation. If three or more banks are involved, then the fee for each is $1,000.00. If the cost therefor (computed on the basis of $20.00 per man hour devoted
(b) No other loan made by the bank to the officer under authority of this subparagraph is outstanding; 
(2) In addition to (1) above, a bank may make extensions of credit to any officer of a bank, not exceeding the aggregate amount of $20,000.00 outstanding at any one time, to finance the education of the children of the officer; and 
(3) A bank, in addition to loans made pursuant to subparagraphs (1) and (2) above, may make extensions of credit to its officers not exceeding the aggregate amount of $10,000.00 outstanding at any one time: Provided, That total liability to the bank of such officer does not exceed the limit prescribed in RCW 30.04.110. [Statutory Authority: RCW 30.12.060. 79-04-042 (Order 40), § 50-12-050, filed 3/23/79; Order 31, § 50-12-050, filed 10/2/75; Order 4, § 50-12-050, filed 5/15/69, eff. 6/16/69.]

Chapter 50-16 WAC

SMALL LOAN ACT RULES

WAC 50-16-030 Books, files and accounting records required. At least the following books, files and accounting records shall be maintained:

1. Loan register. (a) Every loan shall be recorded in the loan register, which shall be kept currently in the order made showing the following information:
   (i) Number of loan
   (ii) Date of loan
   (iii) Name of borrower
   (iv) Amount of loan
   (b) As an alternative method for maintaining records, the licensee may maintain a copy of the disclosure statement in a separate binder, and in chronological order.

2. Borrowers' individual account cards or looseleaf ledgers. A separate account record shall be maintained for each loan made to any one borrower. Each such account record shall provide space for the proper recording of the following information:
   (a) Loan register number of loan
   (b) Date of loan
   (c) Name and address of borrower
   (d) Rate at which charges are to be computed or the annual percentage rate (APR), if less than the maximum
   (e) Terms of repayment
   (f) Face amount of note
   (g) If charges are precomputed:
      (i) Principal amount of loan
      (ii) Total amount of charges
(iii) Amount which may be collected as a default charge.

(h) Payments received showing:

(i) Date of payment

(ii) Amount paid on principal or amount paid on note when charges have been precomputed

(iii) Remaining principal balance or remaining face amount of note when charges have been precomputed

(iv) Amount paid on charges, except when charges are precomputed

(v) Date to which charges are paid, except when charges are precomputed

(vi) The amount of default and/or deferment charges collected

(i) Name and address of co-maker or endorser, if any

(j) Date of maturity of loan

(k) Amount of charge for life insurance

(l) When a note has been reduced to judgment, the face of the account record must show the following:

(i) Date of judgment

(ii) Amount of judgment

(iii) Court costs

Thereafter, all payments received must be applied on the judgment and properly identified.

(3) Cash book. Acceptable records showing all cash receipts and disbursements.

(4) Alphabetical record of makers, endorsers, co-makers, sureties. Cards or other records of makers, endorsers, co-makers or sureties, showing liability thereof on all loans.

(5) General ledger. The general ledger, which shall be posted at least once as of the close of business on a fixed date (preferably the last business day) of each month, and a trial balance taken therefrom. When the general ledger for the office is maintained elsewhere, a copy of the monthly trial balance shall be forwarded to the small loan office, showing the following information as of the end of each month:

(a) Total number and amount of precomputed loans

(b) Reserve for unearned precomputed charges

(c) Total number and amount of nonprecomputed loans

(d) Total number and amount of contracts outstanding

(e) Total number and amount of all other loans, being loans not made under the Small Loan Act. [Statutory Authority: RCW 31.08.230. 79-04-042 (Order 40), § 50-16-030, filed 3/23/79; Rule 50-16-030, filed 12/20/63; 50-16-030, filed 1/17/61; 50-16-030, filed 12/12/60, Small Loan Act Rules (part), filed 11/29/60; § 1(part), filed 3/23/60.]

WAC 50-16-045 Loans. (1) Numbering and filing. Each loan made shall have its proper account number and all instruments taken in connection with any loan must bear this account number. All such instruments and papers required by the Small Loan Act to be retained by the licensee shall be filed so as to be readily available for inspection at any time, and shall be retained for a period of two years after date of final entry.

(2) Payment schedule. All loan contracts shall provide for substantially equal payments, and such payments shall be due not less frequently than once in each month. If agreed by the parties to the loan contract the due date of the first installment may be not more than fifteen days more than one month from date of loan. A month shall be that period of time from any date in a month to a corresponding date in the next month and if there is no corresponding date, then to the last day of the next month. [Statutory Authority: RCW 31.08.230. 79-04-042 (Order 40), § 50-16-045, filed 3/23/79; Rule 50-16-045, filed 12/20/63; 50-16-045, filed 1/17/61; 50-16-045, filed 12/12/60; Small Loan Rules, § II, filed 11/29/60; § 2, filed 3/23/60.]

WAC 50-16-060 Splitting loans prohibited. A licensee who makes loans to both members of a marital community individually in compliance with the provisions of the Federal Equal Credit Opportunity Act shall not be deemed to have violated RCW 31.08.160(4). If separate loans are made for the purpose of obtaining a higher rate of charge, then the making of such loans shall be deemed a violation. For the purpose of RCW 31.08.160(4), and this rule, "Licensee" shall include two or more licensees who are, directly or indirectly owned or controlled by the same group or have common management. [Statutory Authority: RCW 31.08.230. 79-04-042 (Order 40), § 50-16-060, filed 3/23/79; Rule 50-16-060, filed 12/20/63; 50-16-060, filed 1/17/61; 50-16-060, filed 12/12/60; Small Loan Rules, § III D, filed 11/29/60.]

WAC 50-16-070 Advertising. (1) General. No licensee in any of its advertising or upon any of its forms, instruments or stationary shall use any phrase or expression referring to its authority or supervision by the state, or any department thereof, or the supervisor of banking, except the following: "Licensed under the Washington Small Loan Act" or "Under state regulation," or both: Provided, That when either such phrase is employed, it shall be used in conjunction only with the business of making small loans under the Small Loan Act.

(2) Misleading advertising. All advertising, printed or spoken, shall be truthful in statement and implication and shall not be of such a nature as may reasonably be construed to be misleading or deceptive. In determining whether any particular advertising matter violates the provisions or intent of RCW 31.08.150, the supervisor will give consideration to general arrangement of copy and to whether, from statements made, the inference or
impression may reasonably be drawn that such statements or representations are inaccurate, deceptive or misleading. It shall be considered misleading:

(a) To use phrases such as "lowest costs," "lowest rates," "quickest service," "legal rates," "no red tape," "easy payments," "repayment in easy installments."

(b) To advertise "new reduced rates" or "a new type of service" or any such similar comparative expression unless such statement is in fact accurate with respect to the business of the licensee so advertising and unless such advertisement clearly indicates that such new plan refers specifically to a change in the particular licensee's plan of operation, and which change must be of more than minor importance with respect to the business of the licensee. Any such advertisement shall not be used for a period longer than sixty days after such plan has been put into effect.

(3) Blind loan advertisements. Licensees shall not use blind loan advertisements such as using only telephone numbers or newspaper box addresses. Every advertisement shall clearly indicate the identity of the licensee.

(4) Disclosure of extension charge. Licensees shall not advertise that in the event of sickness or disability or other contingency, payment will be extended without also stating that charges continue during the period of extension, if such is the fact.

(5) Distribution of handbills. No licensee shall distribute, or cause to be distributed, handbills or similar advertising matter except in the office of the licensee or through the mails.

(6) Credit cards—Letters of credit. No licensee shall solicit business by means of "credit cards," "letters of credit," or other similar devices which indicate that a holder has an established credit standing with a licensee unless such holder has made a bona fide application to the license and credit has actually been established.

(7) Inducements prohibited. No licensee shall, by any representation or device, either directly or indirectly, offer to any persons anything of value by means of which they will be encouraged to become borrowers or for recommending, referring, or inducing applicants to apply for or secure loans from any such licensee.

Note: The distribution of articles of trivial value for general good will advertising, in the ordinary course of business, will not be deemed to be in violation of this prohibition.

(8) Charges and payments specified. When examples or tables of periodic payments under a flat payment plan are advertised, they shall include all charges to the borrower as well as principal. If principal payments only are advertised, a clear statement of the rate of charge or the total amount of charge shall be included. In all such advertising the total number and frequency of payments must be specified. No advertising shall include average repayments or average cost of a loan.

(9) Retention of advertising copy. Each licensee shall retain for a period of one year from date of use, with date of use indicated thereon, information disclosing the medium through which any advertisement was disseminated, identical copies of all advertising material published, distributed, broadcast or televised, available for inspection by the supervisor at any time.

All form letters sent to former or present customers soliciting additional loans shall be considered advertising.] If the advertisement relates to a specific office maintained by the licensee, the material must be maintained in that office. If the advertisement relates to the licensee's business generally and does not relate to a particular office, the material need be maintained only in one office in this state designated by the licensee.

[Statutory Authority: RCW 31.08.230. 79-04-042 (Order 40), § 50-16-070, filed 3/23/79; Rule 50-16-070, filed 12/20/63; 50-16-070, filed 1/17/61; 50-16-070, filed 12/12/60; Small Loan Rules, § V, filed 11/29/60; § 5, filed 3/23/60.]

### WAC 50-16-075 Restrictions on insurance

(1) No licensee shall write or sell insurance on the life of any borrowers where such insurance is a condition to the granting of a loan.

(2) No insurance shall be required in connection with any loan made under the Small Loan Act, except as and to the extent authorized by RCW 31.08.175. [Statutory Authority: RCW 31.08.230. 79-04-042 (Order 40), § 50-16-075, filed 3/23/79; Rule 50-16-075, filed 12/20/63; 50-16-075, filed 1/17/61; 50-16-075, filed 12/12/60; Small Loan Rules, § VI A and B, filed 11/29/60; § 3(d), filed 3/23/60.]

### WAC 50-16-080 Delivery of policy or evidence to borrower—Master policy required

(1) If any borrowers procure any insurance by or through a licensee, the licensee shall cause to be delivered to the borrowers within thirty days from date of loan a copy of the policy, certificate, or other evidence thereof which may be incorporated in the statement required by RCW 31.08.170.

(2) Each licensee shall maintain at each licensed office a specimen copy of any master or blanket policy in lieu of which a certificate or other evidence thereof has been delivered to borrowers under the provisions of RCW 31.08.175(3). [Statutory Authority: RCW 31.08.230. 79-04-042 (Order 40), § 50-16-080, filed 3/23/79; Rule 50-16-080, filed 12/20/63; 50-16-080, filed 1/17/61; 50-16-080, filed 12/12/60; Small Loan Rules, § V, C and D, filed 11/29/60.]

### WAC 50-16-095 Knowledge of the law and regulations

Each licensee shall be responsible for assuring that any person making loans on behalf of the licensee under the Small Loan Act shall have a sufficient understanding of the statutes and regulations applicable to its business so as to insure compliance with the Small Loan Act. [Statutory Authority: RCW 31.08.230. 79-04-042 (Order 40), § 50-16-095, filed 3/23/79; Rule 50-16-095, filed 12/20/63; 50-16-095, filed 1/17/61; 50-16-095, filed 12/12/60; Small Loan Rules, § VII B, filed 11/29/60; § 7(b), filed 3/23/60.]

[1979 WAC Supp—page 81]
WAC 50–16–100 Hours of business. The place of business designated in the license shall be open during customary hours to receive payments from borrowers, and such hours shall be posted at the entrance to the office. [Statutory Authority: RCW 31.08.230. 79–04–042 (Order 40), § 50–16–100, filed 3/23/79; Rule 50–16–100, filed 12/20/63; 50–16–100, filed 12/20/63; Small Loan Rules, § VII C, filed 11/29/60; § 7 C, filed 3/23/60.]

WAC 50–20–010 Books and records. (1) The company shall maintain a borrower’s individual account card file, income and expense accounts, and have a general ledger readily available, and such other books and records including a monthly trial balance as will enable the supervisor to determine whether such company is complying with the provisions of this act and with the rules and regulations of the Supervisor with the result that these books and accounts will fairly reflect the condition of the company independent of other business conducted in the office.

(2) For a period of not less than two years after the making of the final entry upon its books with respect to any such transaction the company shall preserve the records of original and final entry upon all loans made and upon all transactions pertinent to the sale and issuance of investment certificates.

(3) If the company operates branches, there shall be kept in each branch office such books, accounts and records as will enable the Supervisor to determine whether such company is complying with the provisions of this act and with the rules and regulations of the Supervisor.

(4) The original application for a loan and all original papers relating thereto, including the note, any instrument held as collateral security, security agreement, salary assignment, etc., shall be available for inspection by the Supervisor, or any duly authorized representative. All real estate mortgage loans shall be supported by an appraisal from a qualified appraiser, disclosing all pertinent information, including a detailed schedule of all prior liens.

(5) No licensee shall take any instruments in which blanks are not filled in completely before the proceeds of the loan are delivered.

(6) Fees collected in advance to be subsequently disbursed by the company for recording and releasing collateral instruments or for other similar purposes shall be credited to a suspense account supported by a detailed record of the borrower’s name and the respective amount of such fees. [Statutory Authority: RCW 31.04.150(2), 79–04–042 (Order 40), § 50–20–010, filed 3/23/79; Order 5, § 50–20–050, filed 12/4/69; § 1, filed 3/23/60.]

Chapter 50–20 WAC
INDUSTRIAL LOAN COMPANIES

WAC 50–20–010 Books and records.
50–20–050 Restrictions as to charges.

WAC 50–20–050 Restrictions as to charges. (1) No company shall charge the borrower for notarial fees.

(2) No industrial loan company shall require the purchasing of property insurance from the company or any employee, affiliate, or associate of the company or from any agent, broker, or insurance company designated by the company as a condition precedent to the making of a loan nor shall any company decline existing insurance which meets or exceeds the standards set forth in this section.

A company may insure the life of one borrower, but only one of them, if there are two or more obligors, for the unpaid principal balance scheduled to be outstanding.

If the loan contract is prepaid in full by cash, a new loan, renewal, refinancing, or otherwise, a portion of the credit life and/or accident and health insurance charge shall be rebated according to the method established under paragraph (5) of this section.

(3) No company shall make any charge for the filing, recording or releasing of mortgages or other instruments or for transferring title certificates to automobiles unless such charges are or are in fact to be paid out by the company to the proper officials for such filing, recording, transferring or releasing thereof.

(4) In the event a company makes a new loan where any part of the proceeds are used to pay the amount due it on an existing loan within four months from date of the existing loan, no charge for investigation fee shall be permitted.

(5) Any note which is prepaid in full by cash, a new loan, refinancing, or otherwise before the final due date, the unearned portion of the interest shall be refunded using the sum of the digits method commonly known as the "Rule of 78's". In computing any required rebate, any prepayment made on or before the fifteenth day following the scheduled payment date on the investment certificate shall be deemed to have been made on the payment date preceding such prepayment. In the case of prepayment prior to the first installment date, the company may retain an amount not to exceed 1/30 of the first month’s interest charge for each date between the origination date of the loan and the actual date of prepayment. [Statutory Authority: RCW 31.04.150(2). 79–04–042 (Order 40), § 50–20–050, filed 3/23/79; Order 5, § 50–20–050, filed 12/4/69; § 5, filed 3/23/60.]

Chapter 50–24 WAC
PUBLIC RECORDS

WAC 50–24–030 Description of central and field organization of division of banking.
50–24–120 Protection of public records.
50–24–140 Information generally—Address.

WAC 50–24–030 Description of central and field organization of division of banking. DIVISION OF BANKING. The division of banking is an administrative, supervisory, licensing and chartering agency. The administrative office of the division of banking and its
WAC 50-24-120 Protection of public records. Public records shall be available for public inspection during regular office hours as provided for by regulation at the office of the supervisor of banking, Room 219, General Administration Building, Olympia. No person shall be allowed to remove any records made available to him for inspection from the place designated for inspection by the public records officer. If copies are desired the person so desiring them shall inform the public records officer who shall then either have the copies made or make the copying facilities of the division of banking available for copying. [Statutory Authority: RCW 42.17.250. 79-04-042 (Order 40), § 50-24-030, filed 3/23/79; Order 14, § 50-24-030, filed 5/1/73.]

WAC 50-24-140 Information generally—Address. All communications with the division of banking including but not limited to the submission of materials pertaining to its operations and/or the administration or enforcement of chapter 1, Laws of 1973 and these rules, requests for copies of the division of banking’s decisions and other matters, shall be addressed as follows: Division of Banking, Records Officer, Room 219, General Administration Building, State Capitol, Olympia, Washington 98504. [Statutory Authority: RCW 42.17.250. 79-04-042 (Order 40), § 50-24-140, filed 3/23/79; Order 14, § 50-24-140, filed 5/1/73.]

Title 67 WAC

COMMISSION FOR THE BLIND

67-32 Vending facility program for the blind.

Chapter 67-32 WAC

VENDING FACILITY PROGRAM FOR THE BLIND

67-32-010 Description—Purpose.
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67-32-420 Termination of license—Termination of agreement.
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67-32-440 Suspension or termination of license—Other reasons.
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67-32-460 Relicensing.
67-32-470 Administrative review.
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67-32-500 Full evidentiary hearing—Right to information.
67-32-510 Full evidentiary hearing—Transcript.
67-32-520 Full evidentiary hearing—Decision in writing.
67-32-910 Sample agreement.

WAC 67-32-010 Description—Purpose. The vending facility program for the blind is a part of the vocational rehabilitation program for the blind. The purpose of the vending facility program is to provide increased employment opportunities for blind citizens of the state, and at the same time, provide a visible demonstration of the normal skills of blind persons. The Washington state commission for the blind, vending facility program, provides training and placement of blind persons in vending facilities. The primary function of this program is to provide the opportunity for the blind person to become a