Title 50 WAC  
BANKING, DIVISION OF  

Chapter 50-12 WAC  
BANKS AND TRUST COMPANIES  

WAC  
50-12-010  Repealed.  
50-12-040  Schedule of fees for banks, trust companies, stock savings banks, mutual savings banks, and alien banks.  
50-12-050  Limiting loans to officers.  
50-12-100  Leasing bank premises—Limitations.  
50-12-110  Investment securities—Limit on holdings.  

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER  

WAC 50–12–010  Repealed.  See Disposition Table at beginning of this chapter.  

WAC 50–12–040  Schedule of fees for banks, trust companies, stock savings banks, mutual savings banks, and alien banks.  (1) Except as provided by subsection (2) of this section, the supervisor shall collect in advance the following fees:  
(a) $2,000.00 for each application for a certificate of authority and attendant investigation for a new bank or trust company or for conversion to a state-chartered institution.  
(b) $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.  
(c) $500.00 for filing an application for certificate authorizing an alien bank to establish and operate a bureau in the state of Washington.  
(d) $500.00 for filing an application for a certificate of authority for a branch and attendant investigation.  
(e) $500.00 for filing an application for a certificate conferring trust powers and attendant investigation.  
(f) $2,000.00 for filing merger, consolidation or reorganizational agreement and attendant investigation.  
(g) $300.00 for filing an application for a certificate of appropriate adjunct and attendant investigation.  
(h) $300.00 for filing application to relocate main office or branch and attendant investigation.  
(i) $100.00 for issuing each branch certificate for branch resulting from merger.  
(j) $100.00 for filing articles of incorporation, or amendments thereof, or other certificates required to be filed with the supervisor.  
(k) $100.00 for issuing a certificate of increase or decrease of capital stock or issuing a certificate of authority.  
(l) $100.00 for issuing any other certificate.  
(m) Fifty cents per page for furnishing copies of papers filed with the supervisor.  
(n) $300.00 for filing an application for approval of the supervisor for a bank, trust company, mutual savings bank, or stock savings bank to provide a satellite facility or facilities which are to be used by its own customers or customers of another bank. In the event the application is for approval of the supervisor to provide more than one such satellite facility, the filing fee on such a multiple application is $300.00 for the first such satellite facility and $100.00 for each additional satellite facility.  
(o) $100.00 for the issuance of a certificate of approval to provide a satellite facility.  
(p) $1,000.00 for filing an application for approval of a network system of satellite facilities as defined in WAC 50–40–010(4).  
(q) $100.00 for each application to modify a previously approved network system made in accordance with WAC 50–40–060 (1) or (2).  
(r) $300.00 for issuing certificate of approval for capital notes.  
(s) $5,000.00 for each application by an out–of–state bank holding company for acquisition and control of more than five percent of the shares of voting stock or substantially all of the assets of a bank, trust company, national banking association, or bank holding company, the principal operations of which are conducted within this state.  
(i) $500.00 for each application for a certificate of authority and attendant investigation of a phantom or interim bank created to acquire all of the capital stock of a bank or trust company.  

[1985 WAC Supp—page 112]
(u) $500.00 for each application to purchase or sell a branch. In the event such application provides for the sale or purchase of more than one branch, the fee shall be $500.00 per branch.

(v) Hourly charges for services plus actual expenses for voluntary or involuntary liquidation of a bank or trust company pursuant to chapter 30.44 RCW or for acting as conservator of a bank or trust company pursuant to chapter 30.46 RCW.

(w) $2,000.00 for each application for conversion from a mutual savings bank to a stock savings bank.

(2) If the cost of any of the services rendered under subsection (1) of this section is determined by the supervisor to differ significantly from the fees prescribed for those services in that section, the bank, trust company, or applicant shall pay such cost computed at $40.00 per employee hour expended plus actual expenses incurred. [Statutory Authority: RCW 30.12.060. 85-19-052 (Order 62), § 50-12-040, filed 9/13/85. Statutory Authority: RCW 30.04.030. 82-24-074 (Order 48), § 50-12-040, filed 12/1/82. Statutory Authority: RCW 30.08.095. 79-04-042 (Order 40), § 50-12-040, filed 3/23/79; Order 32, § 50-12-040, filed 10/2/75; Order 27, § 50-12-040, filed 6/3/74; Order 20, § 50-12-040, filed 8/6/73; Order 4, § 50-12-040, filed 5/15/69, eff. 6/16/69.]

WAC 50-12-050 Limiting loans to officers. (1) A bank or trust company may make the following loans to any of its officers:

(a) A loan secured by a first lien on a dwelling if at the time the loan is made:

(i) The dwelling secured is expected to be both owned by the officer and used by him as his residence after the loan is made; and

(ii) No other such loan made by the bank or trust company to the officer under the authority of (a) of this subsection is outstanding;

(b) A loan to finance the education of an officers' children; and

(c) Any other secured or unsecured loan including a line of credit which, at the time the loan is made, is not in excess of the greater of $25,000 or 2.5% of capital and unimpaired surplus as defined in RCW 30.12.060(2), but in no event for an amount greater than $100,000.

(2) A bank or trust company shall not make a loan under subsection (1) of this section to an officer which, at the time the loan is made, exceeds the greater of $25,000 or 5% of capital and unimpaired surplus as defined in RCW 30.12.060(2) unless a resolution authorizing a loan for a greater amount is adopted by a vote of a majority of the board of directors of the bank or trust company prior to the making of such loan, and the vote and resolution is entered in the corporate minutes.

(3) In no case shall the total liability of an officer to a bank or trust company under subsection (1) of this section exceed either $300,000, unless approved in advance for a greater amount by a majority of the board of directors prior to the making of any loan in excess of this amount, or the limit prescribed by RCW 30.04.110, whichever is less. When computing the total outstanding liability of an officer of a bank or trust company belonging to an affiliated group of two or more corporations, all loans to the officer from the affiliated corporations shall be aggregated, including but not limited to loans from:

(a) The bank or trust company's parent bank holding company; or

(b) Any other corporation held by the bank or trust company's parent bank holding company; or

(c) A subsidiary of the bank or trust company; or

(d) A subsidiary of any other corporation if such corporation is held by the bank or trust company's parent bank holding company.

(4) Any loan to an officer of a bank that does not require specific prior approval by a majority of the board of directors by resolution or otherwise pursuant to subsections (2) and (3) of this section shall be promptly reported to the board of directors and duly reflected in the minutes of the next regular board meeting.

(5) For purposes of this section, the words "loan" and "loans" shall mean all extensions of credit by the bank or trust company including but not limited to the purchase, discount, or acquisition, as security or otherwise, of any debt or obligation of any officer owed to any other person. [Statutory Authority: RCW 30.12.060. 85-19-052 (Order 62), § 50-12-050, filed 9/13/85; 84-03-036 (Order 58), § 50-12-050, filed 1/13/84; 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, effective 6/16/69.]

WAC 50-12-100 Leasing bank premises—Limitations. A bank or trust company may lease part of the premises in which it conducts its day-to-day business pursuant to RCW 30.04.210 to persons engaged in nonbanking or nontrust business activities subject to the following limitations:

(1) No director, officer, or employee of such bank or trust company may have any direct or indirect financial interest in the lessee's business activities conducted on the premises leased;

(2) No bank or trust company may receive commissions or other revenues from the lessee other than periodic rental payments received under terms that are usual and customary in leasing space used for similar commercial purposes as determined by the supervisor;

(3) No lessee may have access to security areas of the bank or trust company's premises, nor may a lessee conduct business activities on a bank or trust company's premises other than during regular banking hours;

(4) No director, officer, or employee of a bank or trust company may be employed by, or serve in any fiduciary capacity for a corporation or other person leasing the premises of such bank or trust company for such business activities;

(5) No bank or trust company may exercise managerial control over the lessee's business activities or assume, guarantee, or otherwise become obligated for the lessee's debts or legal obligations;
(6) No bank or trust company may advertise a lessee's business activities conducted on such bank or trust company's premises as a service provided by the bank or trust company, or otherwise represent that the lessee's business activities are not independently owned and operated;

(7) No bank or trust company may use tying arrangements involving the sale of a lessee's goods or services offered on such bank or trust company's premises or in any other way require purchase of a lessee's goods or services as a condition for granting credit or performing services.

(8) For purposes of this section, the term "bank or trust company" means any person or corporation operating under the provisions of Title 30 RCW directly or indirectly affiliated with the lessor. [Statutory Authority: RCW 30.12.060. 85-19-052 (Order 62), § 50-12-100, filed 9/13/85.]

WAC 50-12-110 Investment securities—Limit on holdings. No bank or trust company may purchase or hold obligations of a single obligor in excess of the limits prescribed by RCW 30.04.110, nor purchase or hold any obligation not authorized by Title 30 RCW, except for the following:

(1) Obligations of the United States;

(2) Obligations issued, insured, or guaranteed by a department or agency of the United States, including obligations of such departments or agencies representing an interest in a loan or pool of loans, if such obligation commits the full faith and credit of the United States to its repayment;

(3) General obligations of a state or political subdivision of a state including but not limited to obligations of a county, city, town, municipal corporation, or any publicly-owned entity that is an instrumentality of a state or municipal corporation;

(4) Obligations of any state or political subdivision of a state if a state or political subdivision of a state having general powers of taxation has unconditionally promised to make sufficient funds available for full repayment of the obligation. [Statutory Authority: RCW 30.12.060. 85-19-052 (Order 62), § 50-12-110, filed 9/13/85.]

Chapter 50-16 WAC

CONSUMER FINANCE ACT RULES

WAC

50-16-030 Books, files and accounting records required.

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) Amount which may be collected as a default charge

(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) 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 consumer finance 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 Consumer Finance Act.

(6) Such books, accounts, and records may be maintained in each licensed office by means of electronic display equipment if such equipment is made available to the supervisor of banking or his representatives for purposes of examination in the licensed office. Such books, accounts, and records shall be made available to the supervisor of banking or his representatives in printed form within ten days after a request for such records. [Statutory Authority: RCW 31.04.150. 85–19–054 (Order 64), § 50–16–030, filed 9/13/85. Statutory Authority: RCW 31.08.230. 82–24–074 (Order 48), § 50–16–030, filed 12/1/82; 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.]

Chapter 50–20 WAC
INDUSTRIAL LOAN COMPANIES

WAC

50–20–010 Books and records.
50–20–050 Restrictions as to charges.
50–20–055 Simple interest defined.
50–20–090 Open-end loans—Increase in interest—Notice to borrower.

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.

Such books, accounts, and records may be maintained in each industrial loan company office by means of electronic display equipment if such equipment is made available to the supervisor of banking or his representatives for purposes of examination in the industrial loan company office. Such books, accounts, and records shall be made available to the supervisor of banking or his representatives in printed form within ten days after a request for such records.

(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 corporation 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. 85–19–053 (Order 63), § 50–20–010, filed 9/13/85. Statutory Authority: RCW 31.04.150(2). 79–04–042 (Order 40), § 50–20–010, filed 3/23/79; Order 5, § 50–20–010, filed 12/4/69; § 1, filed 3/23/60.]

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 provide insurance on the life and disability of one borrower and on the life of the spouse of the borrower if both are obligors, provided that such insurance coverage shall not exceed the approximate unpaid balance of the total amount repayable under contract of indebtedness scheduled to be outstanding. The premium or cost for all such insurance when written pursuant to the Washington insurance code and regulations issued thereunder, shall not be deemed interest, charges or consideration in connection with the loan transaction and any gain or advantage to the lender arising out of the premium or cost of the insurance or from its sale shall not be a violation of any provision of chapter 31.04 RCW. The amount of the premium or cost of such insurance may be included in the original loan amount and may be paid from the proceeds of the loan.

If the loan contract is prepaid in full by cash, a new loan, renewal, refinancing, or otherwise, the credit life and/or accident and health insurance coverage shall be cancelled and a portion of the charge made for such insurance shall be rebated as provided by the Washington insurance code and regulations issued thereunder.

[1985 WAC Supp—page 115]
(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 is 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, unless the investigation fee on the existing loan is refunded.

(5) No industrial loan company may charge and collect an annual fee in excess of eighteen dollars payable each year in advance for the privilege of opening and maintaining an open-end loan account.

(6) No industrial loan company may charge and collect an appraisal fee incurred in appraising security offered by the borrower in excess of the actual costs paid to an independent third party professional appraiser. No charge may be made or collected for costs of an appraisal if the loan application is rejected by the company, or if the appraisal is inadequate to meet reasonable appraisal requirements for comparable loans from other lending institutions.

(7) 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."

Provided, however, That in the case of any loan originally scheduled to be repaid in sixty-one months or more which is secured by an investment certificate, the refund of the unearned portion of the interest shall be computed as follows: Interest shall be considered earned at the single nominal annual percentage rate which if applied to the unpaid amounts of principal outstanding from time to time would produce the same total of interest paid at maturity as originally contracted for, based upon the assumption that all payments were made on the loan according to the schedule of payments due on the certificate and calculations were made according to the actuarial method. Interest earned so calculated up to the scheduled due date nearest the date of prepayment shall be subtracted from the original amount of interest included in the note and the balance of such interest shall be refunded.

For purposes of this calculation only, the original principal amount of the loan shall be deemed to be the amount of the total note less the interest deducted in advance. Actuarial method means the method of allocating payments made between principal and interest whereby a payment is applied first to the interest accumulated to date and the remainder then applied to the unpaid principal amount. In computing an actuarial refund, the lender may round the single annual percentage rate used to the nearest quarter of one percent.

In computing any required refund, 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. 85-19-053 (Order 63), § 50-20-050, filed 9/13/85; 84-06-001 (Order 59), § 50-20-050, filed 2/23/84. Statutory Authority: RCW 31.04.150(2). 82-24-074 (Order 48), § 50-20-050, filed 12/1/82; 80-13-024 (Order 43), § 50-20-050, filed 9/9/80; 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.]

WAC 50-20-055 Simple interest defined. (1) For purposes of RCW 31.04.090, simple interest shall be computed by applying the annual simple interest rate to the unpaid balances of the principal of the loan outstanding for the time outstanding. Each payment shall be applied first to accumulated interest and the remainder of the payment shall be applied to the unpaid balance of the principal until paid in full.

Interest may not be payable in advance nor compounded; however, if part or all of the consideration for a new loan contract is the unpaid balance of a prior loan, then the original principal payable under such new loan contract may include, on a simple interest loan any unpaid interest or other charges which have accrued (the unpaid balance of a discounted loan shall be the balance due after giving effect to any required refund or credit of interest charged). For the purpose of computing interest, a day shall be 1/365th of a year. The term "principal" as used herein means the sum of the "amount financed" and any "prepaid finance charge" disclosed to the borrower pursuant to the federal Truth-in-Lending Act.

(2) The provisions of RCW 31.04.090 as they relate to investment certificates are not applicable to loans upon which interest is computed and charged on this basis. [Statutory Authority: RCW 31.04.150(2). 85-22-014 (Order 65), § 50-20-055, filed 10/29/85; 82-24-074 (Order 48), § 50-20-055, filed 12/1/82.]

WAC 50-20-090 Open-end loans—Increase in interest—Notice to borrower. An industrial loan company is not required to give thirty days written notice of an increase in the interest rate charged on an open-end loan pursuant to RCW 31.04.150. 85-19-053 (Order 63), § 50-20-090, filed 9/13/85.]
### Chapter 50-24 WAC
#### PUBLIC RECORDS

WAC 50-24-100 Exemptions.

(1) The division of banking reserves the right to determine that a public record requested in accordance with the procedures outlined in WAC 50-24-080 is exempt under the provisions of section 31, chapter 1, Laws of 1973.

(2) RCW 30.04.075 provides as the general rule that all information received by the supervisor and his office from any bank or trust company or mutual savings bank is confidential and may not be disclosed to any person other than certain other government officials, on penalty of forfeiture of office and punishment as a gross misdemeanor.

(3) In addition, pursuant to RCW 42.17.260, the division of banking reserves the right to delete identifying details when it makes available or publishes any public record, in any cases when there is reason to believe that disclosure of such details would be an invasion of personal privacy protected by chapter 1, Laws of 1973. The public records officer will fully justify such deletion in writing.

(4) All denials of requests for public records will be accompanied by a written statement specifying the reason for the denial, including a statement of the specific exemption authorizing the withholding of the record and a brief explanation of how the exemption applies to the record withheld. [Statutory Authority: RCW 30.12.060. 85-19-052 (Order 62), § 50-24-050, filed 9/13/85; Order 14, § 50-24-100, filed 5/1/73.]

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### Chapter 50-44 WAC
#### SCHEDULE OF COSTS OF EXAMINATIONS

WAC 50-44-030 Additional fees and charges—Special examinations—Branch offices.

WAC 50-44-030 Additional fees and charges—Special examinations—Branch offices. Each bank, mutual savings bank, trust company, or industrial loan company shall pay to the supervisor the following fees:

(1) For special examinations and reviews as determined by the supervisor, forty dollars per hour; (special examinations are for the express purpose of examining unusual conditions or circumstances, including extensions of regular examinations wherein conditions may warrant extension of time required in the examination beyond normal allotted time);

(2) For electronic data processing examination, trust examination, or other examination requiring specialized expertise, forty dollars per hour;

(3) For each bank branch in operation at the time of any periodic examination, seventy-five dollars;

(4) For each industrial loan company branch in operation at the time of any periodic examination, one hundred fifty dollars.

The supervisor shall submit a statement for the foregoing charges following the completion of any applicable examination, and the charges shall be paid not later than thirty days after submission of such statement. [Statutory Authority: RCW 30.12.060. 85-19-052 (Order 62), § 50-44-030, filed 9/13/85. Statutory Authority: RCW 34.04.070. 82-02-037 (Order 45), § 50-44-030, filed 12/31/81.]

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### Chapter 50-48 WAC
#### ACQUISITION OF BANKS, TRUST COMPANIES, NATIONAL BANKING ASSOCIATIONS OF BANK HOLDING COMPANIES BY OUT-OF-STATE BANK HOLDING COMPANIES

WAC 50-48-020 Joint application. An application for approval of such acquisition shall be submitted jointly by the acquiring bank holding company and the domestic institution or bank holding company to be acquired. The application need not be in any particular format, but must set forth all the information required under these regulations. The application shall include a copy of the agreement setting forth the plan of merger or acquisition, including certified copies of the resolutions of the respective boards of directors of parties to the agreement approving same. The application shall also include a statement authorizing any federal or state regulatory agency to make available to the supervisor any and all information which such agency may have relating to the applicants or any of their subsidiaries. [Statutory Authority: RCW 30.12.060. 85-19-052 (Order 62), § 50-48-020, filed 9/13/85. Statutory Authority: RCW 30.04.230 as amended by 1983 c 157 § 9. 83-20-073 (Order 56), § 50-48-020, filed 10/3/83.]

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### Title 51 WAC
#### BUILDING CODE COUNCIL, WASHINGTON STATE

Chapters

51-10 Setting of barrier free design standards making buildings and facilities accessible to physically disabled persons.


51-16 State Building Code update and amendment—Adoption of the 1985 editions of the Uniform Codes.

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