Chapter 208-586 WAC

EXAMINATION AND SUPERVISION FEES FOR SAVINGS AND LOAN ASSOCIATIONS

(Formerly chapter 419-14 WAC)

WAC

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208-586-140 Charges and fees effective July 1, 2001.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

208-586-135 Charges and fees effective June 25, 1999. [Statutory Authority: RCW 30.04.030 and 43.320.040. 01-06-024, § 208-586-135, filed 2/27/01, effective 3/30/01. Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, recodified as § 208-586-135, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.030, 30.04.070, 30.08.095, 33.04.025 and 43.320.040. 99-10-024, § 419-14-135, filed 4/28/99, effective 6/25/99.] Repealed by 01-12-003, filed 5/23/01, effective 7/1/01. Statutory Authority: RCW 30.04.030, 33.04.025, 43.320.040.

WAC 208-586-020 Collection of examination and supervision costs—Collection method. The requirement of RCW 33.28.020 that the director collect from each savings and loan association the actual costs of examinations and supervision shall be met in accordance with the procedures established in this chapter. The fee shall consist of three elements: (1) An hourly charge for the number of hours spent by division personnel in conducting an examination of the association, (2) a semiannual asset charge; and (3) an hourly charge for the number of hours of extraordinary or special services.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, amended and recodified as § 208-586-020, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.28.020. 83-20-028 (Order 83-5), § 419-14-020, filed 9/26/83; 82-13-015 (Order 82-4), § 419-14-020, filed 6/7/82.]

WAC 208-586-030 Hourly charge for examinations. The hourly charge for hours spent by personnel of the division of banks in conducting examinations shall be assessed as follows:

(1) For division personnel classified as financial examiner, $40.00 per hour;

(2) For division personnel classified as financial examiner senior, $45.00 per hour;

(3) For division personnel classified as case manager or financial examiner supervisor or above, $50.00 per hour;

In addition to the hourly examination fee, foreign associations doing business in the state of Washington will defray the costs of travel and per diem paid to division personnel in examinations performed outside the state of Washington.

The director may charge the actual cost of examinations performed under personal service contracts by third parties. The director 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 33.04.025 and 43.320.040. 00-17-140, amended and recodified as § 208-586-030, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.28.020. 91-06-063, § 419-14-030, filed 3/1/91, effective 4/1/91; 85-07-009 (Order 85-3), § 419-14-030, filed 3/8/85. Statutory Authority: RCW 33.08.110. 84-12-043 (Order 84-4), § 419-14-030, filed 5/31/84. Statutory Authority: RCW 30.28.020. 82-13-015 (Order 82-4), § 419-14-030, filed 6/7/82.]

WAC 208-586-040 Semiannual asset charge. The semiannual asset charge will be assessed at a rate of three cents per thousand dollars of assets. Asset fees will be computed on assets as of June 30 and December 31 of each calendar year, and payable no later than July 15 and January 15 next following the respective assessment dates.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, recodified as § 208-586-040, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.28.020. 91-06-063, § 419-14-040, filed 3/1/91, effective 4/1/91; 85-07-009 (Order 85-3), § 419-14-040, filed 3/8/85. Statutory Authority: RCW 30.28.020. 82-13-015 (Order 82-4), § 419-14-040, filed 6/7/82.]

WAC 208-586-050 Investigation fee for new charter application. The investigation fee required by RCW 33.08.060 for submission in connection with applications to charter a new savings and loan association shall be two thousand five hundred dollars. In the event the actual costs of the investigation conducted with respect to a particular application are less than the amount of the fee, such difference between the fee and the actual costs submitted shall be refunded, provided that in no event shall more than one thousand five hundred dollars be refunded. For the purposes of this section, actual costs shall include travel and per diem expenses paid to division personnel in connection with the investigation.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, recodified as § 208-586-050, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.08.110. 82-13-015 (Order 82-4), § 419-14-050, filed 6/7/82.]

WAC 208-586-060 Branch application fee—Domestic associations. The fee required by RCW 33.08.110 to be submitted in connection with an application to establish a branch office of an association shall be five hundred dollars. In the event the actual costs of the investigation with respect to a particular application are less than the amount of the fee,

such difference between the fee and the actual cost submitted shall be refunded, provided that in no event shall more than three hundred fifty dollars be refunded. For the purposes of this section, actual costs shall include travel and per diem expenses paid to division personnel in connection with the investigation.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, recodified as § 208-586-060, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.08.110. 84-12-043 (Order 84-4), § 419-14-060, filed 5/31/84; 82-13-015 (Order 82-4), § 419-14-060, filed 6/7/82.]

WAC 208-586-070 Loans to directors, officers, or employees—Maximum amount. The total value of loans made or obligations acquired under the authority of RCW 33.12.060 (2)(f) for any director, officer, or employee of an association shall not exceed twenty-five thousand dollars, unless all applicable regulations of the Federal Deposit Insurance Corporation have been complied with, in which case loans not in excess of one hundred thousand dollars total may be made. Loans in amounts larger than one hundred thousand dollars may be made only with the prior written approval of the director has been obtained in accordance with the provisions of this section.

Requests to the director for permission to exceed the maximum loan limit shall be made at least ten days in advance of the date upon which it is anticipated that funds will be disbursed, if the loan is approved. Such requests must be accompanied by a certified copy of the authorizing resolution, which shall set forth with specificity the reasons that the board of directors believes that exceeding the loan limitation established in this section is in the best interest of the association in each instance. The authorizing resolution shall also set forth the directors' evaluation of the quality of the security for the loan, and the ability of the debtor to repay the loan in accordance with its terms.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, amended and recodified as § 208-586-070, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.12.060 (2)(f). 84-09-058 (Order 84-1), § 419-14-070, filed 4/18/84; 82-13-015 (Order 82-4), § 419-14-070, filed 6/7/82.]

WAC 208-586-075 Branch application fee—Foreign associations. The fee required by RCW 33.08.110 to be submitted in connection with an application to establish a branch office of a foreign association in this state shall be two thousand five hundred dollars, nonrefundable for the first branch and five hundred dollars for each additional branch. In the event the actual costs of the investigation with respect to a particular application exceed the amount of the fee, such difference between the fee and the actual costs shall be paid by the applicant. For the purposes of this section, actual costs shall include travel and per diem expenses paid to division personnel in connection with the investigation.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, recodified as § 208-586-075, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.08.110. 85-07-010 (Order 85-4), § 419-14-075, filed 3/8/85; 84-12-043 (Order 84-4), § 419-14-075, filed 5/31/84.]

WAC 208-586-080 Annual license fees. Every savings and loan association organized under the laws of this state shall pay a license fee before the 31st of July each year. The license fee for each domestic association shall be fifty dollars for the office designated as the home office or executive office and an additional fifty dollar fee for each branch.

Every foreign association doing business in the state of Washington shall pay a license fee before the 31st of July each year. The license fee shall be in the amount of fifty dollars for each branch in business within the state of Washington as of the close of business June 30th immediately preceding.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, recodified as § 208-586-080, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.04.020(2). 82-19-020 (Order 82-6), § 419-14-080, filed 9/8/82.]

WAC 208-586-085 Loans to one borrower. RCW 33.24.010 provides that an association may not invest more than two and one-half percent of its assets in any loan or obligation to any one person, except with the written approval of the supervisor. The director hereby gives written approval for any state chartered association to make a loan to any one borrower in an amount which, taken together with all other outstanding loans and obligation to the same borrower, does not exceed either ten percent of the institution's withdrawable accounts, or the association's net worth, whichever is less.

"One borrower" is defined as (a) any person or entity that is, or that upon the making of a loan will become, obligor on a loan; (b) nominees of such obligor; (c) all persons trusts, partnerships, syndicates, and corporations of which such obligor is a nominee or a beneficiary, partner, member, or record or beneficial stockholder owning ten percent or more of the capital stock, and (d) if such obligor is a trust partnership, syndicate, or corporation, all trusts, partnerships, syndicates, and corporations of which any beneficiary, partner, member, or record or beneficial stockholder owning ten percent of the capital stock, is also a beneficiary, partner, member, or record or beneficial stockholder owning ten percent or more of the capital stock of such obligor; and the term "total balances of all outstanding loans" means the original amounts loaned by an insured institution plus any additional advances and interest due unpaid, less repayments and participating interests sold and exclusive of any loan on the security of such institution's savings accounts or real estate, the title to which has been conveyed to a bona fide purchaser of such real estate.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, amended and recodified as § 208-586-085, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.24.010. 84-09-058 (Order 84-1), § 419-14-085, filed 4/18/84.]

WAC 208-586-090 Hourly charge for legal assistance. The hourly charge for consultation involving an assistant attorney general shall be assessed at a rate of $60.00 per hour. Legal assistance shall include, but not be limited to, legal research and advice pertaining to granting new charters, acquisition of savings and loan associations, conversions, stock offerings, board meetings requiring legal assistance, preparation and enforcement of removal actions, involuntary liquidations, declarations of insolvency, cease and desist orders, and other agreements or actions requiring legal advice; and to administrative hearings and preparation of memorandum opinions which relate to a specific savings and loan association.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, recodified as § 208-586-090, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.28.020. 91-06-063, § 419-14-090, filed 3/1/91, effective 4/1/91; 83-20-028 (Order 83-5), § 419-14-090, filed 9/26/83.]

WAC 208-586-100 Supervisory review of examination. Upon completion of each examination the examiner's report shall be reviewed and an examination letter prepared by administrative personnel. The hourly charge for the review and preparation of the examination letter shall be assessed at the rate of $50.00 per hour.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, amended and recodified as § 208-586-100, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.28.020. 91-06-063, § 419-14-100, filed 3/1/91, effective 4/1/91; 85-07-009 (Order 85-3), § 419-14-100, filed 3/8/85; 83-20-028 (Order 83-5), § 419-14-100, filed 9/26/83.]

WAC 208-586-110 Special examinations. Special examinations shall be assessed at the rate of $50.00 per hour. Special examinations shall include, but not be limited to electronic data processing examinations, special investigations, special examinations involving the division's staff supervisory personnel, and other special examinations and reviews the supervisor deems necessary.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, recodified as § 208-586-110, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.28.020. 91-06-063, § 419-14-110, filed 3/1/91, effective 4/1/91; 85-07-009 (Order 85-3), § 419-14-110, filed 3/8/85; 83-20-028 (Order 83-5), § 419-14-110, filed 9/26/83.]

WAC 208-586-120 Acquisition application fee. RCW 33.28.020 requires the director to collect from each association a fee to cover the actual cost of supervision.

To maintain fairness to all associations the acquiring party(ies) will defray the costs involving the director and his staff as follows:

A minimum nonrefundable fee of $5,000 payable with the acquisition application described in RCW 33.24.360. In addition direct costs involving travel and lodging of the director or his staff and legal expense billed directly to the division will be paid by the acquirers.

Savings and loan associations merging under authority of RCW 33.04.010 are not considered within the scope of RCW 33.24.360 and are therefore not included with respect to this WAC.

[Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, amended and recodified as § 208-586-120, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 33.24.360. 84-12-042 (Order 84-5), § 419-14-120, filed 5/31/84.]

WAC 208-586-140 Charges and fees effective July 1, 2001. The division intends to increase the rate of its charges and fees each year for several bienniums. The division intends to initiate a rule making for this purpose each biennium. This rule provides for an automatic annual increase in the rate of charges and fees each fiscal year during the 2001-03 biennium.

(1) Effective July 1, 2001, the rate of charges and fees under chapters 208-586 and 208-594 WAC shall be as follows:

(a) WAC 208-586-030(1) - The fee shall be $45.51 per hour.

(b) WAC 208-586-030(2) - The fee shall be $51.19 per hour.

(c) WAC 208-586-030(3) - The fee shall be $56.89 per hour.

(d) WAC 208-586-040 - The asset charge shall be 0.0348046 per thousand dollars of assets.

(e) WAC 208-586-075 - The fee shall be $2,500.00 for the first branch and $500.00 for each additional branch.

(f) WAC 208-586-080 - The fee shall be $50.00 for the home office and each branch.

(g) WAC 208-586-090 - The fee shall be $68.27 per hour.

(h) WAC 208-586-100 - The fee shall be $56.89 per hour.

(i) WAC 208-586-110 - The fee shall be $56.89 per hour.

(j) WAC 208-586-120 - The fee shall be $5,000.00.

(k) WAC 208-594-070 - The fee shall be $1,000.00.

(2)(a) On July 1, 2002, the rate of charges and fees under subsection (1)(a), (b), (c), (d), (g), (h), and (i) of this section, as increased in the prior fiscal year, will increase by a percentage rate equal to the fiscal growth factor for the then current fiscal year. As used in this section, "fiscal growth factor" has the same meaning as the term is defined in RCW 43.135.-025.

(b) The director may round off a rate increase under this subsection. However, no rate increase may exceed the applicable fiscal growth factor.

(c) By June 1 of each year, the director will make available a chart of the new rates that will take effect on the immediately following July 1.

(3) The director may waive any or all of the charges and/or fees imposed under this section, in whole or in part, when he or she determines that both of the following factors are present:

(a) The banking program fund exceeds the projected acceptable minimum fund balance level approved by the office of financial management; and

(b) That such course of action would be fiscally prudent.

[Statutory Authority: RCW 30.04.030, 33.04.025, 43.320.040. 01-12-003, § 208-586-140, filed 5/23/01, effective 7/1/01. Statutory Authority: RCW 30.04.030 and 43.320.040. 01-06-024, § 208-586-140, filed 2/27/01, effective 3/30/01. Statutory Authority: RCW 33.04.025 and 43.320.040. 00-17-140, recodified as § 208-586-140, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 30.04.030, 30.04.070, 30.08.095, 33.04.025 and 43.320.040. 99-10-024, § 419-14-140, filed 4/28/99, effective 6/25/99.]