

**WAC 208-512-070 Nonbankable assets.** (1) In determining whether an asset of a bank is bankable, all of the circumstances of the asset shall be weighed including, but not limited to, the following:

- (a) Character of the borrower;
- (b) Capacity of the borrower;
- (c) Capital of the borrower;
- (d) Sufficiency of the collateral;
- (e) Economic conditions pertaining to the type of business in which the borrower is engaged; and
- (f) Conformance to general banking standards as then currently practiced in the banking industry.

(2) If an examiner determines that an asset is nonbankable based on the circumstances weighed in subsection (1)(a) through (f) of this section, the bank must charge-off the asset within thirty days of receipt of the written report of examination, or by the next call report submission date, whichever is longer.

(3) Such charge-off is deemed conclusive, unless it is contested before the expiration of the time period stated in subsection (2) of this section.

(4) A contested charge-off must be in the form of a written statement filed with the director explaining why the asset should not be charged off.

(5) After consideration of such written statement and within forty-five days, the director will notify the bank in writing of his or her decision as to the treatment of the asset. The director's written notification shall be deemed conclusive as to the disposition of the asset.

[Statutory Authority: RCW 43.320.040, 43.320.050, 30A.04.030, 30A.12.060, 30A.04.140, 30A.04.210, 30A.04.212, 30A.60.010 - [30A.60.]901, 30A.08.140, 30A.08.150, 30A.04.125 and section 939A of the Dodd-Frank Act. WSR 17-24-053, § 208-512-070, filed 12/1/17, effective 1/1/18. Statutory Authority: RCW 30.04.030 and 43.320.040. WSR 00-17-141, amended and recodified as § 208-512-070, filed 8/22/00, effective 9/22/00; Order 9, § 50-12-070, filed 5/9/72.]