

NEW SECTION

**WAC 208-400-020 Definitions.** Unless the context clearly requires otherwise, as used in this chapter:

**"Board"** has the same meaning as ascribed in RCW 31.12.005(1).

**"Board chair"** means the serving chairperson of the board of directors of a credit union, who has been duly appointed by the board of directors to serve as its chair.

**"CAMEL"** means the rating system used to measure the safety and soundness of credit unions that are insured by the National Credit Union Share Insurance Fund (as defined in 12 U.S.C. Sec. 1783) and which scores a credit union's capital adequacy, asset quality, management, earnings, and asset/liability management (liquidity), both individually and on a composite basis.

**"Credit union"** has the same meaning as ascribed in RCW 31.12.005(5).

**"Director"** has the same meaning as ascribed to that term in RCW 31.12.005(8).

**"Manager"** means the duly appointed and serving chief executive officer of a credit union.

**"Troubled condition"** has the same meaning ascribed to that term in the rules of the National Credit Union Administration, at 12 C.F.R. Sec. 701.14(b)(3).

**"Unsafe or unsound practice"** has the same definition as ascribed to that term in RCW 31.12.005(26).

NEW SECTION

**WAC 208-400-030 Frequency of board meetings.** (1) **Authority to determine the frequency of board of directors meetings.** Subject to the provisions of this section, a board may determine the frequency of its meetings and must specify such frequency in its bylaws.

(2) **Minimum meeting requirement.** A board of directors must meet a minimum of six times in each calendar year and at least once per calendar quarter.

(3) **Director's authority to require more frequent meetings.** The director may require that a board meet more frequently if he or she finds that it is necessary for the board to meet more frequently to address examination matters, including without limitation, evidence of any of the following:

(a) The credit union's current composite CAMEL rating issued by the director is a 3, 4, or 5;

(b) The credit union's current management component CAMEL rating issued by the director is a 3, 4, or 5;

(c) The credit union's net worth ratio is less than seven percent;

(d) The credit union is currently in a troubled condition;

(e) In the judgment of the director, the credit union has committed an unsafe or unsound practice that has not been corrected to the satisfaction of the director and that continues to be a concern to the director, or the credit union is about to commit an unsafe or unsound practice; or

(f) The credit union has been notified in writing by the director of a significant supervisory or financial concern.

(4) **Notification to the board.** If the director determines as set forth in subsection (3) of this section, that a board of directors must meet more frequently than as set forth in subsection (2) of this section, the director will send written notice to the board chair, with a copy to the credit union's manager, setting forth the director's findings underlying the determination and the required frequency of the board of directors' meetings. This notice will remain in effect until rescinded in writing by the director.