



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)

(Implements RCW 34.05.310)

Do NOT use for expedited rule making

Agency: Department of Financial Institutions

Subject of possible rule making: The Department of Financial Institutions ("DFI") proposes amending Chapter 208-460, Washington Administrative Code, Member Business Loans ("State MBL Rule"), under the Washington State Credit Union Act Chapter 31.12, Revised Code of Washington.

Statutes authorizing the agency to adopt rules on this subject: RCW 31.12.516, RCW 43.320.040, RCW 31.12.428, RCW 31.12.426.

Reasons why rules on this subject may be needed and what they might accomplish:

On March 14, 2016, the National Credit Union Administration ("NCUA") published in the Federal Register its approved final rule amending NCUA's member business loans rule ("Federal MBL Rule") to provide federally insured credit unions (including Washington State-chartered credit unions), as NCUA describes it, "greater flexibility and individual autonomy in safely and soundly providing commercial and business loans to serve members." DFI is proposing rulemaking to update the State MBL Rule to be more consistent with the Federal MBL Rule and to modernize the State MBL Rule.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

There are no other state agencies that regulate the safety and soundness of Washington State-chartered credit unions. Shares and deposits in our state credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) administered by NCUA. The current Washington State MBL rule was previously approved by NCUA. Under the Federal MBL Rule, a state supervisory authority may modify a state MBL rule previously approved by NCUA as long as the modifications are consistent with the Federal MBL Rule. DFI plans to consult with NCUA on any modifications to the State MBL rule.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

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