



## ***DCU BULLETIN***

***Division of Credit Unions***

***Washington State Department of Financial Institutions***

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July 9, 2002

No. B-02-14

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### **Division Adopts Final Rule on Regulatory Relief For Small Credit Unions**

On June 25, 2002 the Division adopted a final rule on regulatory relief for small credit unions, adding three new sections to Chapter 208-424 WAC. Enclosed is a copy of the Form CR-103 filed with the Code Reviser on July 26, 2002, and includes the final version of the rule. The rule takes effect July 27, 2002.

The rule allows small credit unions:

1. To schedule special meetings of members from 10 to 120 days after a request for a special meeting is received by the credit union's secretary, as provided in the credit union's bylaws. The current rule requires special meetings to be scheduled from 20 to 30 days after the request is received; and
2. To hold as few as nine regular board meetings each calendar year, no more than ten weeks apart, as provided in the credit union's bylaws. The current rule requires regular board meetings to be held monthly.

Contact person at the Division on the rule:

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# RULE-MAKING ORDER

(RCW 34.05.360)

CR-103 (7/22/01)

<b>Agency:</b> Department of Financial Institutions	<input checked="" type="checkbox"/> Permanent Rule
	<input type="checkbox"/> Emergency Rule
	<input type="checkbox"/> Expedited Rule Making

**(1) Date of adoption:** June 25, 2002

**(2) Purpose:** To provide appropriate regulatory relief fro small credit unions (those with up to \$10 million in total assets.)

**(3) Citation of existing rules affected by this order:**  
 Repealed:  
 Amended:  
 Suspended:

**(4) Statutory authority for adoption:** RCW 31.12.516(2), (3), (4); RCW 43.17.060; RCW 43.320.040  
 Other Authority:

**PERMANENT RULE ONLY (Including Expedited Rule Making)**  
 Adopted under notice filed as WSR 02-11-010 on May 3, 2002 .  
 Describe any changes other than editing from proposed to adopted version: The proposed rule required small credit unions to have at least nine (9) board meetings per year no more than eight weeks apart. The final rule will require small credit unions to have at least nine (9) meetings per year no more than ten weeks apart.

**EMERGENCY RULE ONLY**  
 Under RCW 34.05.350 the agency for good cause finds:  
 (a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.  
 (b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.  
 Reasons for this finding:

**(5.3) Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?:**  
 Yes  No If Yes, explain:

<b>(6) Effective date of rule:</b>		<b>CODE REVISER USE ONLY</b>
<b>Permanent Rules</b>	<b>Emergency Rules</b>	
<input checked="" type="checkbox"/> 31 days after filing	<input type="checkbox"/> Immediately	
<input type="checkbox"/> Other (specify) _____*	<input type="checkbox"/> Later (specify) _____	
*If less than 31 days after filing, specific finding in 5.3 under RCW 34.05.380(3) is required		
<b>Name (Type or Print)</b> Mark Thomson		
<b>Signature</b>		
<b>Title</b> Acting Director	<b>Date</b> 6/25/02	

(COMPLETE REVERSE SIDE)

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.

**The number of sections adopted in order to comply with:**

<b>Federal statute:</b>	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
<b>Federal rules or standards:</b>	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
<b>Recently enacted state statutes:</b>	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>

**The number of sections adopted at the request of a nongovernmental entity:**

	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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**The number of sections adopted in the agency's own initiative:**

	New	<u>3</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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**The number of sections adopted using:**

<b>Negotiated rule making:</b>	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
<b>Pilot rule making:</b>	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
<b>Other alternative rule making:</b>	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>

## Chapter 208-424 WAC

### REGULATORY RELIEF FOR SMALL CREDIT UNIONS

#### NEW SECTION

**WAC 208-424-010 Definition of small credit union.** For purposes of this chapter, a "small credit union" means a credit union with up to ten million dollars in total assets as of its most recently filed call report.

#### NEW SECTION

**WAC 208-424-020 Timing of special membership meetings of small credit unions.** In regard to timing of special membership meetings, the last sentence of RCW 31.12.195(3) states:

"The designated time of the membership meeting must be no sooner than twenty, and no later than thirty days after the request is received by the secretary."

A small credit union may vary from the last sentence of RCW 31.12.195(3) as provided in its bylaws, as long as it is a small credit union at the time the request for a special membership meeting is received by the secretary. However, the designated time of the special membership meeting must be no sooner than ten, and no later than one hundred twenty days, after the request is received by the secretary. In all other respects, a small credit union must comply with RCW 31.12.195.

NEW SECTION

**WAC 208-424-030 Frequency of regular meetings of board of directors of small credit unions.** In regard to timing of regular board meetings, RCW 31.12.225(5) states:

"The board will have regular meetings not less frequently than once each month."

A small credit union may vary from RCW 31.12.225(5) as provided in its bylaws. However, a small credit union must have at least nine regular board meetings each calendar year, and consecutive regular board meetings must be no more than ten weeks apart. In all other respects, a small credit union must comply with RCW 31.12.225.