



DCU BULLETIN

Division of Credit Unions

Washington State Department of Financial Institutions

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Revisions to the Washington Credit Union Act: Northwest Credit Union Association Senate Bill 5757

2015 Senate Bill (SB) 5757 (2015 c 123) amends the Washington Credit Union Act, chapter 31.12 RCW (the “Act”). These amendments are not effective until July 24, 2015. Below is a brief summary of the amendments.

Sections:

1. Board of Directors – RCW 31.12.225. Duties of a credit union's board of directors that may or may not be delegated were adjusted. The board must establish policies governing the operation of the credit union. The board may delegate the rate of dividends on shares and authorize the payment of dividends on shares.

2. Directors and supervisory committee members – RCW 31.12.365. This section clarifies a credit union may provide gifts, insurance coverage, and reimbursement of expenses to its directors and supervisory committee members regardless of whether it pays them compensation.

3. Dividends – RCW 31.12.418. This section replaced the term “declare” with the term “paid” for payment of dividends.

4. Investment of funds – RCW 31.12.436. This section amends a State Credit Union’s investment powers to state a credit union may invest the in key person insurance policies and investment products related to employee benefits and may invest up to:

- 5 percent of the capital of the credit union in debt or equity issued by an organization owned by the Northwest Credit Union Association or its successor credit union organization; and
- 5 percent of its assets in shares, stocks, and loans with organizations whose purpose is to provide services to the credit union industry.

To view the complete bill and its history, please visit the following link:

<http://app.leg.wa.gov/billinfo/summary.aspx?bill=5757&year=2015>

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This Bulletin is provided as general guidance and is not intended to substitute for legal advice by the credit union's legal counsel. If you have questions or would like more information please contact Linda Jekel, Director of Credit Unions at linda.jekel@dfi.wa.gov or (360) 902-8778.