



DCU BULLETIN

Division of Credit Unions

Washington State Department of Financial Institutions

Phone: (360) 902-8701

FAX: (877) 330-6870

November 4, 2016

No. B-16-19

Repeal of Regulatory Relief for Small Credit Unions CR-102 Filed

The Division of Credit Unions (Division) is repealing its state Regulatory Relief for Small Credit Unions rule (Chapter 208-424 WAC). Rulemaking started in August 2016 with the filing of the CR-101. As of November 01, 2016 the CR-102 was filed (see attached). Meetings will be held over the next several months for stakeholder and public discussion.

The Division is repealing this rule because the rule no longer complies with the Washington Credit Union Act (WCUA) and is out of date. In 2013, the WCUA was amended to allow all credit unions to hold six board meetings a year (RCW 31.12.225), instead of the nine meetings authorized for small credit unions. The WCUA was also amended to allow credit unions 90-days to hold a special membership meeting (RCW 31.12.195).

The Regulatory Relief for Small Credit Unions rule-making repeal dates are tentatively scheduled as follows:

- Agency Hearing held on December 6, 2016 from 1:30 pm to 2:30 pm
- File CR-103 on January 4, 2017
- **Repeal of rule is effective on February 4, 2017**

For an overview of the rule-making process, please see:

http://www.oria.wa.gov/site/alias_oria/448/default.aspx.

Rulemaking

You are welcome to attend rule-making meetings in person at the Department of Financial Institutions' headquarters, 150 Israel Road, Tumwater, Washington 98501. Please allow time to check in with the front desk. To join the meeting by teleconference, dial 1-877-885-3221 and use conference ID# 5705532.

You may send written comments about the rulemaking, including suggested amendments, at any time. All rule-making information (including but not limited to the meeting schedule, document drafts, meeting notices, summaries of meetings, written public comments, and audio of the official hearing) will be frequently updated and available on

The Division of Credit Unions
Regulatory Relief for Small Credit Unions
Bulletin B-16-19

Page 2 of 2

the DCU website: <http://www.dfi.wa.gov/credit-unions/rulemaking/regulatory-relief-small-credit-unions>.

If you have any questions regarding the rulemaking on Regulatory Relief for Small Credit Unions, please contact Linda Jekel, Director, Division of Credit Unions, at (360) 902-8778 or linda.jekel@dfi.wa.gov.

Attachment: Filed CR-102



PROPOSED RULE MAKING

CR-102 (June 2012)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Department of Financial Institutions, Credit Union Division

- | | |
|---|---|
| <input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as WSR 16-18-013; or | <input checked="" type="checkbox"/> Original Notice |
| <input type="checkbox"/> Expedited Rule Making--Proposed notice was filed as WSR _____; or | <input type="checkbox"/> Supplemental Notice to WSR _____ |
| <input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1). | <input type="checkbox"/> Continuance of WSR _____ |

Title of rule and other identifying information: (Describe Subject) Repealing all rules under Chapter 208-424 WAC promulgated through the Washington State Credit Union Act (WCUA) (chapter 31.12 RCW).

Hearing location(s): Department of Financial Institutions, 150 Israel Rd. SW, Olympia, WA 98501, 360-902-8700

Submit written comments to:

Name: Cristina Diaz – Division of Credit Unions
Address: 150 Israel Rd. SW, POB 41200, Olympia, WA 98504-1200
e-mail cristina.diaz@dfi.wa.gov or dcu@dfi.wa.gov
fax (877)330-6870 by (date) December 5, 2016

Date: December 6, 2016 Time: 1:30-2:30 PM

Assistance for persons with disabilities: Contact

Cristina Diaz by December 5, 2016

TTY () _____ or (360) 902-8718

Date of intended adoption: January 4, 2017

(Note: This is NOT the effective date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules: Chapter 208-424 is not in compliance with recent amendments to the Washington Credit Union Act and National Credit Union Administration (NCUA) policy interpretations. WAC 208-424-010 is no longer applicable because in September 2015, NCUA defined a small credit union as under \$100 million in assets. WAC 208-424-020 is out of compliance with RCW 31.12.195, amended by Chapter 34, Laws of 2013 (SB 5302) which now requires a credit union to hold its special membership meeting no later than 90 days after the secretary receives a valid request. WAC 208-424-030 is out of compliance with RCW 31.12.225, amended by Chapter 34, Laws of 2013 (SB 5302), which requires a credit union to hold no less than six regular board meetings per year.

Reasons supporting proposal: We are repealing the rules because the industry requested the repeal. The rules are not in compliance with the Washington Credit Union Act's amendments in the above citations, and the National Credit Union Administrations interpretations.

Statutory authority for adoption: chapter 43.320 RCW; RCW 31.12.516

Statute being implemented: RCW 31.12.195 and RCW 31.12.225.

Is rule necessary because of a:

- | | | |
|-------------------------|------------------------------|--|
| Federal Law? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If yes, CITATION:

DATE
November 1, 2016

NAME (type or print)
Linda K. Jekel

SIGNATURE

TITLE
Director, Division of Credit Unions

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: November 01, 2016

TIME: 3:08 PM

WSR 16-22-079

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

None.

Name of proponent: (person or organization) Department of Financial Institutions, Consumer Services

- Private
- Public
- Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Linda Jekel	150 Israel Rd. SW, Olympia, Washington 98501	(360) 902-8778
Implementation....Linda Jekel	150 Israel Rd. SW, Olympia, Washington 98501	(360) 902-8778
Enforcement..... Linda Jekel	150 Israel Rd. SW, Olympia, Washington 98501	(360) 902-8778

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No. Explain why no statement was prepared. Repealing this rule will not require a credit union to take actions that are not already in the Washington Credit Union Act.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No: Please explain: Repealing this rule will not require a credit union to take actions that are not already in the Washington Credit Union Act.