



## ***DCU BULLETIN***

***Division of Credit Unions***

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

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### **WA State Credit Unions as Qualified Public Depositories**

Effective June 7, 2012, RCW 39.58.240 (1)<sup>1</sup> was amended to increase the amount of public funds that the Washington state government and its political subdivisions are permitted to deposit in qualified Washington chartered credit unions. Those deposits must be \$250,000 or less per public depositor, i.e. the official custodian of the public funds. Examples of political subdivisions include counties and cities. But they also include drainage, irrigation, navigation improvement, levee, sanitation, school or power districts. They may include bridge or port authorities and other special districts created by statute or compacts between the states. See RCW 39.58.240

Before a credit union can accept a state or its political subdivision public fund, it must apply to the Office of the State Treasurer and become a qualified public depository. For information about the application process and monthly reporting, please contact Nancy Adams, Administrator of the State Treasurer's Office, at [nancy.adams@tre.wa.gov](mailto:nancy.adams@tre.wa.gov) or (360) 902-9077. The credit union will need to request a Certificate of Authority from the Division of Credit Unions and attach it to the State Treasurer's application.

For a list of credit unions approved as qualified public depositories, see <http://www.tre.wa.gov/documents/pdpc/publicDepositoriesCreditUnions.shtml>.

Per RCW 39.58.100, approved credit unions will be required to complete a monthly on-line report to the State Treasurer's Office that will include:

- Type of public fund (e.g. city, county, school)
- Name of public deposit (e.g. City of Bellingham, King County)
- Department (e.g. Fire District, Water District)
- Account type (e.g. savings, CD, checking)
- Balance (e.g. \$ amount)

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<sup>1</sup> See Chapter 26 Laws of 2012.

Qualified credit unions that choose to accept public deposits will need to remember that both 12 CFR 741.204 and 12 CFR 701.32 will apply. These rules restrict such deposits to no more than twenty (20) percent of total shares/deposits or \$1.5 million, whichever is greater. These deposits are also reported on lines 18 and 19 on page 3 of the 5300 report. The public depositors need not be members of the credit union. However, the official custodian should sign the credit union's account agreements.

Questions about this program may be directed to Linda Jekel, Director of Credit Unions at [Linda.Jekel@dfi.wa.gov](mailto:Linda.Jekel@dfi.wa.gov) or (360) 902-8778 or Nancy Adams, Administrator of the State Treasurer's Office at [nancy.adams@tre.wa.gov](mailto:nancy.adams@tre.wa.gov) or (360) 902-9077.