

Opinion 96-2 (Redacted version)

April 16, 1996

“A”

RE: Request about requirements for out-of-state credit union to do business in Washington (Interpretation 96-2)

Dear Sir:

I have been asked to respond to your letter to Parker Cann, Assistant Director, requesting approval for “**B**” credit union to do business in the state of Washington. The requirements for an out of state credit union to operate in this state are contained in Revised Code of Washington (RCW) 31.12.526. Enclosed is a copy of the Washington Credit Union Act containing this section.

In order to do business in this state, the credit union must submit and receive our approval of an application under RCW 31.12.526. The application must include at least the following:

1. A letter from the credit union’s board of directors requesting approval to do business in the state of Washington.
2. A copy of the most recent financial statements (balance sheet and year to date income statement).
3. A copy of the most recent statutory examination report.
4. Information as to the credit union’s surety bond and fidelity bond coverage.
5. Information as to whether the credit union’s share and/or deposit accounts are privately or federally insured.

6. A copy of the credit union's current field of membership and information as to the field of membership that will be served in the state of Washington, for example: employees of ABC Company of Washington.
7. A complete copy of the current **state** statute and rules governing the operation of the credit union.
8. A written representation that the credit union agrees to pay our costs for reviewing the application. We currently charge an hourly fee of \$55.82 per staff member for such review.
9. A written representation that the credit union agrees to pay our costs of examination and supervision. RCW 31.12.526 (4) authorizes the Division of Credit Unions to charge for the examination and cost of supervising an out-of-state credit union. Such credit unions must pay an hourly examination fee of up to \$55.82 per examiner, plus a semi-annual asset assessment. Starting July 1, 1996, the Division of Credit Unions is changing to quarterly asset assessment fees and, for on-site examinations of out-of-state credit unions, an hourly exam fee of \$55.82 per examiner. The asset assessments will be based on in-state assets, calculated by multiplying the credit union's total assets by a fraction, the numerator of which is the total deposits at the in-state branches, and the denominator of which is the total deposits of the credit union.
10. A written representation that the credit union will comply with Chapter 31.12 RCW and Chapters 208-418 to 208-480 of the Washington Administrative Code (WAC), including without limit RCW 31.12.526(1)(c).

During its 1996 session, our legislature repealed the Washington private share insurance system for credit unions, effective December 31, 1998. Consequently, we will not approve the credit union to do business in this state if its shares are privately insured.

If you have any questions, please give me a call at (360) 902-8753.

Sincerely,

Linda K. Jekel
Program Manager