

**Minutes for  
Department of Financial Institutions, Division of Credit Unions  
Members Business Loans (MBLs) Rulemaking Meeting  
August 19, 2016 from 1:30 pm to 3:00 pm  
DFI FA 319 Agency Conference Room**

Persons attended in person or by phone. Teleconference: Dial in 1 (360) 407-3812, conference ID: 690240.

**Attendees:**

**Department of Financial Institutions:**

Linda Jekel, Director of Credit Unions  
Joe Vincent, Director of Regulatory and Legal Affairs  
Catherine Mele-Hetter, Policy Director  
Cristina Diaz, Office Coordinator/Management Analyst  
Allyson Ross, Management Analyst

**Credit Unions in person or by Skype:**

BECU	Numerica	TAPCO
iQ	Red Canoe	Whatcom Educational
Harborstone	Seattle Metropolitan	
iQ	STCU	

**Other:**

Northwest Credit Union Association  
Farleigh Wada and Witt PC

**Meeting Called to Order at 1:33 pm**

Welcome and Introductions                      Performed by Linda Jekel

Roll Call    Performed by Allyson Ross

Discussion on Comparing the  
Following:

- 208-460-020 Prohibitions / 723.7 Prohibited Activities
- 208-460-090 Waivers Available
- 208-460-100 Waiver Application

**208-460-020 Prohibition**

- Suggestion made to further define senior management employee
- BECU stated they believe that in section 2 the term commercial loan should be utilized rather than the term member business loan

**208-460-100 Waivers Available**

- Discussion on the possibility of raising the limit for construction and development loans to 30=>%. Linda will look back at previous changes to see what the waiver limit states.
- Discussion on the possibility of increasing the cap on unsecured lending. Recommends \$250,000 and then a waiver to support a greater amount.

- Comment supporting a grandfather clause for credit unions who have already acquired a MBL waiver.
- BECU would like to see the term “borrower” instead of member since member is too restrictive.
- Concern with (3) conflict of interest, section A, possibly revisiting section A as it “swallows” up the other sections and becomes unclear.

**208-460-100 Waiver Application**

- No comments or questions regarding this section

Open Forum for Comments

See website for submitted comments:

<http://www.dfi.wa.gov/rulemaking/member-business-loans>

Next Meeting

The next meeting is August 30, 2016 1:30pm to 3:00pm and we will be discussing:

- WAC 208-460-010 Definitions (state)
- 723.2 Definitions (federal)

**Meeting adjourned at 2:45pm**