



These regulations under its authority

DCU BULLETIN

Division of Credit Unions

Washington State Department of Financial Institutions

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August 26, 2016

No. B-16-12

Rulemaking on the Repeal of Regulatory Relief for Small Credit Unions

The Division of Credit Unions (Division) intends to repeal its state Regulatory Relief for Small Credit Unions rule (Chapter 208-424 WAC). Rulemaking will begin in August 2016 with the filing of the CR-101 (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Division is repealing this rule because the rule no longer complies with the Washington Credit Union Act (WCUA) and is out of date.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:

- File CR-101 on August 25, 2016
- File CR-102 on November 2, 2016
- 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

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official hearing) will be frequently updated and available on 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-101



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: Department of Financial Institutions

Subject of possible rule making: The Department of Financial Institutions ("DFI") proposes repealing Chapter 208-424, Washington Administrative Code, Regulatory Relief For Small Credit Unions, under the Washington State Credit Union Act Chapter 31.12, Revised Code of Washington.

Statutes authorizing the agency to adopt rules on this subject: RCW 31.12.516, 31.12.195 and 31.12.225

Reasons why rules on this subject may be needed and what they might accomplish:

The current rule provided a definition of small credit union to be up to \$10 million in total assets, flexibility for a small credit union to have fewer than 12 board meetings per year and gave a longer time before convening a special membership meeting of 90 days instead of 30 days. DFI is repealing this rule because the rule no longer complies with the Washington Credit Union Act (WCUA). See Chapter 31.12 RCW. The WCUA was amended (SB 5302, Chapter 34, Laws of 2013) to allow all credit unions to hold 6 board meetings a year (RCW 31.12.225), instead of the 9 meetings authorized for small credit unions. The WCUA was also amended (SB 5302, Chapter 34, Laws of 2013) to allow credit unions 90 days to hold a special membership meeting (RCW 31.12.195).

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

There are no federal or state agencies that regulate these subjects.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

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DATE
August 24, 2016

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Linda K. Jekel

SIGNATURE

TITLE
Director, Division of Credit Unions

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STATE OF WASHINGTON
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