



DCU BULLETIN

Division of Credit Unions

Washington State Department of Financial Institutions

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Division Increases Maximum Size of SOG Groups to 200 Persons

Under Division rules, state credit unions with an approved small occupational group (SOG) bylaw amendment may add SOGs that meet certain restrictions to their field of membership (FOM) without prior Division approval. WAC 208-472-041. Among these restrictions is a size limit - each SOG may not exceed 100 persons, or a higher number authorized by the Division. WAC 208-472-041(3)(d). The SOG provision was added to Division rules in 1996, and the 100 person maximum has not been increased since that time.

Effective January 1, 1999, the NCUA increased from 100 to 200 the maximum size of small occupational groups which may be added by federally-chartered credit unions to their FOM under the NCUA's streamlined procedure, without regard to whether the group was already included in another credit union's FOM. See NCUA IRPS 99-1. We believe that it is appropriate for state credit unions to enjoy the same level of regulatory flexibility to serve new groups of small size.

Consequently, the Division is increasing the maximum size of SOGs from 100 to 200 persons. This change takes effect as of the date of this Bulletin. No other restrictions on SOGs are affected.

The Division is considering additional changes to the SOG restrictions. The Division is seeking input from credit unions whether:

1. A further increase in the 200-person size limit of SOGs is warranted considering general population increases or competitive or other relevant factors.
2. SOGs may be added without regard to overlaps.

Please provide your written comments on this matter to Parker Cann at the Division.