



DCU BULLETIN

Division of Credit Unions

Washington State Department of Financial Institutions

Phone: (360) 902-8701

FAX: (360) 704-6901

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TELECONFERENCE on Credit Union Fee Increase Process

After several years without a fee increase, the Division of Credit Unions (DCU) recently announced that it would seek a fee increase for fiscal year 2009. (DCU Bulletin B-07-12). This Bulletin provides an update on that process.

On November 5, 2007, DCU filed a CR-101 “Preproposal Statement of Inquiry,” announcing that it would pursue rulemaking, beginning with extensive stakeholder consultation with state-chartered credit unions. Ordinarily, DCU would proceed with the stakeholder discussions, propose a draft increase by WAC (Washington Administrative Code), then hold a regulatory hearing, and produce a new final fee rule.

However, Initiative 960 is now in effect. The initiative requires, among other things, that the state legislature vote on all tax and fee increases needed by virtually all state agencies. This is a new process, and the requirements appear to mean that DCU and DFI will have to seek legislative approval, in a bill or budget line item, for even the most routine and minor fee increases. The mechanics of this process are still being worked out, but as of this Bulletin, it appears that DFI may request a legislative bill. The outcome is uncertain.

Regardless of the fate of any legislation, it is important to provide information to the Washington state-chartered credit unions, explaining the need and justification for any fee increase. On January 11, 2008, DCU received a letter from the Washington State Credit Union League, asking several important questions regarding the proposed fee increase. (Posted on website: www.dfi.wa.gov/cu under Rulemaking Activity, Updated Fee Regulations Rulemaking, Comments).

In order to involve the credit unions, and respond to questions and concerns, DCU is hosting a **TELECONFERENCE on Friday, Feb, 29, 2008, at 10 AM.** The teleconference will provide the data and the rationale behind the need to increase credit union fees. You can participate in the teleconference by calling 1-877-298-8255, using ID# 7009517. The Power Point for the teleconference will be available on the DCU website: www.dfi.wa.gov/cu a few days prior to the event.