

2017 Washington Legislation

HB 1053: Technical Amendments

1. Low Income Designation. Amend the state Low Income Credit Union (LICU) designation in the Credit Union Act to simply state that a credit union may qualify.

Rationale: LICU designation is approved federally without the need to apply. This change aligns the state and federal policy.

2. Board Responsibilities. Allow the Board to delegate more to the credit union CEO and management.

Rationale: The statute is confusing and there are an ever-increasing number of things that now have to go to the Board.

3. Supervisory Committee. Clarifies the roles and responsibilities of the Supervisory Committee.

Rationale: The Supervisory Committee's main function is to ensure that audits are performed and that financials are independently verified.

4. Shares. Eliminate references to "purchasing shares".

Rationale: The term is confusing and outdated.

5. Federal Parity Date Update. Update the Credit Union Act parity date to 2017.

Rationale: So that state-chartered credit unions can take advantage of powers and authorities that federally-chartered credit unions possess as of a date certain.

6. Investment of Funds. Clean up the language in RCW 31.12.436 (Investment of funds).

Rationale: Technical correction. The Investment of funds statute is confusing as a result of overlapping NWCUA and DFI bills in 2015.

Bill 2

Unlimited Public Funds. Allow credit unions to accept unlimited public funds deposits.

Rationale: Credit unions are regularly approached by municipalities and public entities wishing to hold public funds above the current cap (maximum level of deposit insurance). Allowing for unlimited public funds would allow credit unions to better serve their members and communities.

Bill 3

Supplemental Capital. Set up regulatory framework in the Washington State Credit Union Act which allows for supplemental capital so that once it is allowed at the federal level, state charters can immediately benefit as well.

Rationale: Federal parity.