

such act, directly causes life-sustaining procedures to be withheld or withdrawn and death to thereby be hastened, shall be subject to prosecution for murder in the first degree as defined in RCW 9A.32.030.

NEW SECTION. Sec. 10. The act of withholding or withdrawing life-sustaining procedures when done pursuant to a directive described in section 4 of this act and which causes the death of the declarer, shall not be construed to be an intervening force or to affect the chain of proximate cause between the conduct of any person that placed the declarer in a terminal condition and the death of the declarer.

NEW SECTION. Sec. 11. Nothing in this chapter shall be construed to condone, authorize, or approve mercy killing, or to permit any affirmative or deliberate act or omission to end life other than to permit the natural process of dying.

NEW SECTION. Sec. 12. Sections 1 through 11 of this act shall constitute a new chapter in Title 70 RCW.

NEW SECTION. Sec. 13. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

Passed the House February 5, 1979.

Passed the Senate March 2, 1979.

Approved by the Governor March 26, 1979.

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## CHAPTER 113

[Substitute House Bill No. 195]

### SAVINGS AND LOAN ASSOCIATIONS

AN ACT Relating to savings and loan associations; amending section 95, chapter 235, Laws of 1945 as amended by section 22, chapter 130, Laws of 1973 and RCW 33.04.020; amending section 10, chapter 235, Laws of 1945 and RCW 33.08.090; amending section 35, chapter 235, Laws of 1945 as last amended by section 2, chapter 71, Laws of 1953 and RCW 33.12.060; amending section 28, chapter 235, Laws of 1945 and RCW 33.16.130; amending section 54, chapter 235, Laws of 1945 as amended by section 5, chapter 71, Laws of 1953 and RCW 33.20.150; amending section 58, chapter 235, Laws of 1945 as last amended by section 7, chapter 246, Laws of 1963 and RCW 33.24.010; amending section 67, chapter 235, Laws of 1945 as last amended by section 5, chapter 107, Laws of 1969 and RCW 33.24.100; amending section 69, chapter 235, Laws of 1945 as last amended by section 26, chapter 130, Laws of 1973 and RCW 33.24.120; amending section 74, chapter 235, Laws of 1945 as last amended by section 6, chapter 280, Laws of 1959 and RCW 33.24.170; amending section 7, chapter 49, Laws of 1967 as amended by section 24, chapter 130, Laws of 1973 and RCW 33.24.230; amending section 8, chapter 49, Laws of 1967 and RCW 33.24.240; amending section 27, chapter 130, Laws of 1973 and RCW 33.24.295; amending section 2, chapter 130, Laws of 1973 and RCW 33.24.360; amending section 5, chapter 122, Laws of 1955 and RCW 33.48.040; and adding new sections to chapter 33.24 RCW.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 95, chapter 235, Laws of 1945 as amended by section 22, chapter 130, Laws of 1973 and RCW 33.04.020 are each amended to read as follows:

The supervisor:

(1) shall be charged with the administration and enforcement of this title and shall have and exercise all powers necessary or convenient thereunto;

(2) shall issue to each association doing business hereunder, when it shall have paid its annual license fee and be duly qualified otherwise, a certificate of authority authorizing it to transact business;

(3) shall require of each association an annual statement and such other reports and statements as he may deem desirable, on forms to be furnished by him;

(4) shall require each association to conduct its business in compliance with the provisions of this title;

(5) shall visit and examine into the affairs of every association, at least once in each biennium; may appraise and revalue its investments and securities; and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such association for such purposes;

(6) may accept or exchange any information or reports with the examining division of the federal savings and loan insurance corporation or other like agency which may insure the accounts in an association or to which an association may belong;

(7) may visit and examine into the affairs of any corporation of which the capital stock is controlled by an association; may appraise and revalue its investments and securities; and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such corporation for such purposes;

(8) shall have power to administer oaths to and to examine any person under oath concerning the affairs of any association or corporation of which the capital stock is controlled by an association and, in connection therewith, to issue subpoenas and require the attendance and testimony of any person or persons at any place within this state, and to require witnesses to produce any books, papers, documents, or other things under their control material to such examination; and

~~((8))~~ (9) shall have any and all other powers incidental to the purposes of such examination and administration.

Sec. 2. Section 10, chapter 235, Laws of 1945 and RCW 33.08.090 are each amended to read as follows:

The members, at any meeting called for the purpose, may amend the articles of incorporation of the association. Such amended articles shall be filed with the supervisor and be subject to the same procedure of approval, refusal, appeal, and filing with the secretary of state and county auditor as

provided for the original articles of incorporation. Proposed amendments of the articles of incorporation shall be submitted to the supervisor at least thirty days prior to the meeting of the members.

If the amendments include a change in the association's corporate name, the supervisor shall give notice by mail to all savings and loan associations doing business within the state of the filing of such amended articles. The association shall transmit a check to the supervisor for one hundred dollars when filing the amended articles to cover the expense of notification. Persons interested in protesting an amendment changing the association's corporate name may contact the supervisor in person or by writing prior to a date which shall be given in said notice.

Sec. 3. Section 35, chapter 235, Laws of 1945 as last amended by section 2, chapter 71, Laws of 1953 and RCW 33.12.060 are each amended to read as follows:

(1) An association shall make no loan to or sell to or purchase any real property or securities from any director, officer, agent, or employee of an association or to or from any public officer or public employee whose duties have to do with the supervision, regulation, or insurance of the association or its savings accounts or mortgages.

(2) The ((foregoing)) provisions of subsection (1) of this section shall not apply to:

(a) Loans secured by the pledge or assignment of the savings account of the borrowing member(, nor to);

(b) Loans made to directors, officers, agents, or employees of the association upon their property which is occupied principally by such director, officer, agent, or employee as a home, the amount of such loan to be based upon the appraised value of said property as established by two independent appraisers who are not officers, agents, directors, employees, or appraisers of the association;

(c) Loans made to directors, officers, or employees of the association upon their mobile dwelling, which is occupied principally by such director, officer, or employee as a home, the amount of such loan to be based upon the appraised value of the dwelling as established by two independent appraisers who are not directors, officers, employees, or appraisers of the association, in accordance with RCW 33.24.230, as now or hereafter amended;

(d) Loans made to directors, officers, or employees of the association for home or property repairs, alterations, improvements, or additions, or home furnishings or appliances, for a residence which is occupied principally by such director, officer, or employee as a home, in accordance with RCW 33.24.240 as now or hereafter amended;

(e) Loans made to directors, officers, or employees of the association for the payment of expenses of vocational training or college or university education, in accordance with RCW 33.24.290, as now or hereafter amended; nor to

(f) Loans made to employees of the association for any nonbusiness family purpose, in accordance with RCW 33.24.295, as now or hereafter amended.

(3) A loan to or a purchase or sale to or from a partnership or corporation of which such a director, officer, agent, or employee is an owner or stockholder to the amount of fifteen percent of the total ownership or stock, or in which he and other directors of the association hold an ownership or stock to the amount of twenty-five percent of the total ownership or stock, shall be deemed a loan to or a purchase or sale to or from such director within the meaning of this section except when the transaction occurred without the knowledge or against the protest of such director, officer, agent, or employee of the association.

Sec. 4. Section 28, chapter 235, Laws of 1945 and RCW 33.16.130 are each amended to read as follows:

The board of directors of every association shall procure a bond or bonds, covering all of its active officers, agents, ~~((or))~~ and employees ~~((who have control of or access to cash or securities of the association))~~, whether or not they draw salary or compensation, with duly qualified corporate surety authorized to do business in the state of Washington, conditioned that the surety will indemnify and save harmless the association against any and all loss or losses arising through the larceny, theft, embezzlement, or other fraudulent or dishonest act or acts of any such officer, agent, or employee. Such bond coverage may provide for a deductible amount from any loss which otherwise would be recoverable from the corporate surety. A deductible amount may be applied separately to one or more bonding agreements. The bond shall not provide for more than one deductible amount from all losses caused by the same person or caused by the same persons acting in collusion or combination in cases in which such losses result from dishonesty of employees (as defined in the bond).

Such bond or bonds shall be in such amount, as to each of said officers or employees, as the directors shall deem advisable, and said bond or bonds shall be subject to the approval of the supervisor and shall be filed with him. The board shall review such bond, or bonds, at its regular meeting in January of each year, and by resolution determine such bond coverage for the ensuing year.

Sec. 5. Section 54, chapter 235, Laws of 1945 as amended by section 5, chapter 71, Laws of 1953 and RCW 33.20.150 are each amended to read as follows:

The savings paid into an association, together with dividends credited thereon, shall be repaid to the savings members thereof respectively, or to their legal representatives, upon request.

Every request for withdrawal shall be in writing. If, in the judgment of the board, circumstances warrant deferment of the payment of withdrawals to a later date, thereafter withdrawals shall be paid proportionately, on a percentage basis, to all members requesting withdrawal until full withdrawal requests are paid to all members: PROVIDED, That a board resolution of deferment shall not affect the payments of withdrawals from federal tax and loan accounts.

The board shall, however, have the right in its discretion, where need is shown, to pay not exceeding one hundred dollars to any account holder in one month. Every member shall participate in the dividends of the association until his withdrawal is paid.

If, upon examination the supervisor finds that further postponement of withdrawals is unwarranted, he may order the association to resume full payment of withdrawals and cancel all written withdrawal requests. Such order shall be in writing.

The association's failure, during a period of postponement, to pay withdrawal requests shall not authorize the supervisor to take charge of or liquidate the association.

Sec. 6. Section 58, chapter 235, Laws of 1945 as last amended by section 7, chapter 246, Laws of 1963 and RCW 33.24.010 are each amended to read as follows:

An association may invest its funds only as provided in this chapter.

It shall not invest more than two and a half percent of its assets or twenty thousand dollars, whichever is the greater, in a loan or loans, or in the purchase of contracts on the security of any one property, except with the written approval of the supervisor.

It shall not loan to or purchase contracts payable by any one person, or community consisting of husband and wife, in an amount in excess of ~~((two and a half percent of its assets, or twenty thousand dollars, whichever is the greater))~~ the association's net worth or ten percent of the association's savings accounts, whichever is less, except with written approval of the supervisor.

Sec. 7. Section 67, chapter 235, Laws of 1945 as last amended by section 5, chapter 107, Laws of 1969 and RCW 33.24.100 are each amended to read as follows:

An association may invest its funds in loans secured by first mortgages on improved real estate, subject to the following conditions and restrictions:

(1) No mortgage loan shall be made in excess of fifty percent of the value of the security unless its terms require the payment of the principal and interest in annual, semiannual, quarterly, or monthly payments, at a rate which if continued would repay the loan in full in not more than

~~((thirty))~~ forty years, beginning within one year and continuing until the loan is reduced to fifty percent or less of the value of the security as then determined upon a reappraisal. No loan upon which payments in reduction of principal are not being made at least annually shall continue for more than five years, unless, at the expiration of each five year period, it shall be reappraised and the loan reduced to an amount not in excess of fifty percent of the new appraised value.

(2) Notwithstanding any other provision of this title, an association may make any loan which is insured or guaranteed in whole or in part by the federal housing administrator, the veterans' administration, or any other state or federal agency, or for which said administrator, administration, or agency has issued commitment to insure or guarantee such loan.

(3) Other loans shall not be in excess of:

(a) Ninety percent of the appraised value if secured by a first mortgage lien on property on which is situated a dwelling.

(b) ~~((Seventy-five))~~ Eighty-five percent of the appraised value, if secured by a first mortgage lien on property improved with a building or buildings other than as ~~((above))~~ described in (3)(a) of this section.

(4) ~~((Notwithstanding the provisions of this section, an association may make any loan which is permitted to a federal savings and loan association doing business in this state))~~ An association may make a loan in excess of the percentage limitations provided in (3)(a) of this section if that portion of the unpaid balance of such loan which is in excess of an amount equal to ninety percent of the appraised value of the real estate security is guaranteed or insured by a mortgage insurance company which has been approved by the supervisor.

Sec. 8. Section 69, chapter 235, Laws of 1945 as last amended by section 26, chapter 130, Laws of 1973 and RCW 33.24.120 are each amended to read as follows:

For every mortgage loan, the borrower shall execute a note and a mortgage which shall constitute a first lien upon a fee estate in improved real property. For such loan, the appraised value shall be the value of the land and the permanent improvements thereon. Appraisals for loan purposes shall be made by ~~((two))~~ an appraiser~~((s))~~ appointed by the board of directors~~((, either or both of whom, if qualified, may be directors of the association: PROVIDED, That the directors of an association may by resolution authorize the reduction in the number of appraisers on every type loan to one qualified appraiser))~~. In cases of loans insured or guaranteed in whole or in part by a government agency, the appraisal made by the government agency shall be sufficient.

~~((Every appraisal shall be made in writing, shall state that each appraiser has personally examined said property, has no personal interest therein, the conservative value of the property as so determined, and shall~~

~~be signed by the appraiser. Such appraisal shall be filed with the association, before any mortgage loan shall be made:))~~ Every appraisal shall be made in writing, shall state the value of the property as so determined, and be signed by the appraiser. Each appraiser shall personally examine said property. The required appraisal(s) shall be filed with the association before any mortgage loan shall be made. No appraiser shall appraise for the association any property in which such appraiser has a personal interest.

Every mortgage loan, before making, shall be approved by the directors of the association or by a loan committee appointed by the directors for that purpose.

Sec. 9. Section 74, chapter 235, Laws of 1945 as last amended by section 6, chapter 280, Laws of 1959 and RCW 33.24.170 are each amended to read as follows:

An association may invest a reasonable amount of its funds in real property or leasehold interests therein for use in the transaction of its business when:

(1) (a) The aggregate of its contingent fund, surplus, and undivided profits accounts equals five percent of the aggregate of its savings accounts; or

(b) When the association meets the reserve requirements of the federal savings and loan insurance corporation, and, during the first five years of operation of an association, obtains the approval of the supervisor;

(2) Its directors, by three-fourths majority vote, approve the making of such investment; and

(3) The total investment in such property does not exceed seven and one-half percent of the aggregate of its savings accounts.

~~((The foregoing restrictions of this section shall not affect existing investments of associations. No association may invest its funds in real property or leasehold interests therein for use in the transaction of its business without the prior written approval of the supervisor.~~

~~Any real estate, except that used for the transaction of its business which is not sold by an association within five years from and after the time title is acquired, shall be depreciated at not less than ten percent of the book value at the close of each annual period, unless an extension of time be granted by the supervisor:))~~

Sec. 10. Section 7, chapter 49, Laws of 1967 as amended by section 24, chapter 130, Laws of 1973 and RCW 33.24.230 are each amended to read as follows:

An association may invest its funds in loans upon the security of mobile dwellings used as semi-permanent or permanent housing. Loans made pursuant to this section shall not exceed ~~((ten))~~ twenty percent of the association's assets, except with the written approval of the supervisor.

Sec. 11. Section 8, chapter 49, Laws of 1967 and RCW 33.24.240 are each amended to read as follows:

An association may invest not to exceed ~~((five))~~ ten percent of its assets in secured or unsecured loans for home or property repairs, alterations, improvements or additions, or home furnishings or appliances: PROVIDED, That the principal amount ~~((of any such loan shall not exceed five thousand dollars and))~~ shall be repayable in equal monthly, quarterly, or semiannual installments commencing not more than ~~((sixty days))~~ six months after the date of such loan and extending over a payment period of not to exceed ~~((seven))~~ fifteen years.

Sec. 12. Section 27, chapter 130, Laws of 1973 and RCW 33.24.295 are each amended to read as follows:

An association may also invest not to exceed ~~((five))~~ ten percent of its assets in secured or unsecured loans for any nonbusiness family purposes: PROVIDED, That the principal amount of any such loan shall not exceed ~~((five))~~ ten thousand dollars and shall be repayable in equal monthly, quarterly, or semiannual installments commencing not more than ~~((sixty days))~~ six months after the date of such loan and extending over a payment period of not to exceed ~~((seven))~~ ten years.

Sec. 13. Section 2, chapter 130, Laws of 1973 and RCW 33.24.360 are each amended to read as follows:

(1) It is unlawful for any acquiring party to acquire control of a savings and loan association until thirty days after the date of filing with the supervisor an application containing substantially all of the following information and any additional information that the supervisor may prescribe as necessary or appropriate in the public interest or for the protection of savings account holders, borrowers or stockholders:

~~((1))~~ (a) The identity, character, and experience of each acquiring party by whom or on whose behalf acquisition is to be made;

~~((2))~~ (b) The financial and managerial resources and future prospects of each acquiring party involved in the acquisition;

~~((3))~~ (c) The terms and conditions of any proposed acquisition and the manner in which such acquisition is to be made;

~~((4))~~ (d) The source and amount of the funds or other consideration used or to be used in making the acquisition and, if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction and the names of the parties, however, where a source of funds is a loan made in the lender's ordinary course of business, if the person filing such statement so requests, the ~~((commissioner))~~ supervisor shall not disclose the name of the lender to the public;

~~((5))~~ (e) Any plans or proposals which any acquiring party making the acquisition may have to liquidate such savings and loan association to



sell its assets, to merge it with any company, or to make any other major changes in its business or corporate structure or management;

~~((6))~~ (f) The identification of any persons employed, retained or to be compensated by the acquiring party, or by any person on his behalf, who makes solicitations or recommendations to stockholders for the purpose of assisting in the acquisition, and brief description of the terms of such employment, retainer, or arrangements for compensation;

~~((7))~~ (g) Copies of all invitations for tenders or advertisements making a tender offer to stockholders for purchase of their stock to be used in connection with the proposed acquisition: PROVIDED, That when an unincorporated company is required to file the statements under ~~((subsections (1), (2) and (6)))~~ (1) (a), (b), and (f) of this section, the supervisor may require that the information be given with respect to each partner of a partnership or limited partnership, by each member of a syndicate or group, and by each person who controls a partner or member. When an incorporated company is required to file the statements under ~~((subsections (1), (2) and (6)))~~ (1) (a), (b), and (f) of this section, the supervisor may require that the information be given for the corporation and for each officer and director of the corporation and for each person who is directly or indirectly the beneficial owner of twenty-five percent or more of the outstanding voting securities of the corporation: PROVIDED FURTHER, That if any tender offer, request or invitation for tenders or other agreement to acquire control is proposed to be made by means of a registration statement under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77a), as amended, or in circumstances requiring the disclosure of similar information under the Securities Exchange Act of 1934 (48 Stat. 881; 15 U.S.C. Sec. 77b), as amended, or in an application filed with the federal home loan bank board requiring similar disclosure, such registration statement or application may be filed with the supervisor in lieu of the requirements of this section.

(2) The supervisor shall give notice by mail to all savings and loan associations doing business within the state of the filing of an application to acquire control of an association. The association shall transmit a check to the supervisor for one hundred dollars when filing the application to cover the expense of notification. Persons interested in protesting such an application may contact the supervisor in person or by writing prior to a date which shall be given in said notice.

Sec. 14. Section 5, chapter 122, Laws of 1955 and RCW 33.48.040 are each amended to read as follows:

(1) The guaranty stock provided for in RCW 33.48.030 shall be paid for in cash at par, except as ~~((hereafter in this section))~~ provided in subsection (3) of this section, and shall not be eligible as security for loans from the association, nor withdrawable except upon liquidation or dissolution.

(2) No dividends shall be declared on guaranty stock until the ~~((reserves required by law and the total of the guaranty stock, undivided profits and~~

~~all reserves available for losses, less all estimated and determined losses resulting from the depreciation in value of the assets, is equal to five percent of the savings))~~ association has met the net worth and federal insurance reserve requirements of the federal savings and loan insurance corporation. Subject to the provisions of this chapter, guaranty stock shall be entitled to such rate of dividend, if earned, as fixed by the board. Stock dividends may be declared and issued by the board at any time, payable from otherwise unallocated surplus and undivided profits.

(3) With the consent of the supervisor, guaranty stock may be issued for a consideration other than cash in connection with mergers, consolidations, or transfers.

NEW SECTION. Sec. 15. There is added to chapter 33.24 RCW a new section to read as follows:

An association may invest its funds in real estate contracts and in loans secured by real estate mortgages or deeds of trust or real estate contracts not otherwise eligible for investment by the association, which are prudent real estate investments for the association in the opinion of its board of directors or of officers or committees designated by the board, whose action is ratified by the board at its regular meeting next following the investment. The total amount an association may invest pursuant to this section shall not exceed ten percent of its assets.

NEW SECTION. Sec. 16. There is added to chapter 33.24 RCW a new section to read as follows:

(1) Notwithstanding any other provision of law, an association may invest its funds in reverse annuity mortgage loans. Loan applicants shall not be bound for ten days after the loan commitment is made. The borrower may prepay the loan without penalty at any time during the term of the loan.

(2) As used in this section, "reverse annuity mortgage loan" means an amortized or nonamortized loan in which loan proceeds are advanced to the mortgagor or mortgagors in installments, either directly or indirectly, and which is secured by a lien on an existing residence of the mortgagor or mortgagors.

(3) An amortized loan shall be repaid in monthly, quarterly, semiannual, or annual installments which shall commence within thirty days after the last payout of principal. Repayment shall be completed within a thirty-year period after the commencement of repayment installments. No such loan may be made in excess of sixty percent of the appraised value of the property securing the loan.

(4) A nonamortized loan shall be repaid within one year after the death of the mortgagor, or upon any sale or transfer of the property securing the loan, in whole or in part, whichever occurs first. If there are two or more mortgagors who own the property securing the loan, the loan shall be repaid within one year after the death of the last comortgagor, or upon any sale or

transfer of the property, in whole or in part, to a person other than another comortgagor, whichever occurs first. The supervisor may, upon petition by the heir or heirs and after a showing of good cause, extend the repayment date beyond one year after the death of the mortgagor or comortgagor. No such loan may be made in excess of eighty percent of the appraised value of the property securing the loan.

(5) The supervisor shall adopt rules pursuant to chapter 34.04 RCW, as now or hereafter amended, requiring associations to make certain written disclosures in reasonably simple terms to the prospective borrower concerning the nature and terms of the reverse annuity mortgage loan being offered, as are necessary to ensure adequate consumer protection.

NEW SECTION. Sec. 17. If any provision of this 1979 act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House February 21, 1979.

Passed the Senate March 2, 1979.

Approved by the Governor March 26, 1979.

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## CHAPTER 114

[Senate Bill No. 2339]

### NURSING HOMES—NURSING ASSISTANT TRAINING PROGRAM

AN ACT Relating to nursing homes; and adding a new chapter to Title 18 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Section 1. The legislature finds that the quality of patient care in nursing homes is dependent upon the competence of the personnel who staff their facilities. To assure the availability of trained personnel in nursing homes, the legislature recognizes the need for the development of an entry-level training program for nursing assistants.

NEW SECTION. Sec. 2. Unless the context requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Nursing assistant" means a person who assists in the care of patients, in a facility licensed under chapter 18.51 RCW, under the direction and supervision of a registered nurse or licensed practical nurse.

(2) "Department" means the department of social and health services.

(3) "Nursing home" means a facility licensed under chapter 18.51 RCW.

(4) "Board" means the state board of nursing.

NEW SECTION. Sec. 3. (1) Any nursing assistant employed by a nursing home, who has satisfactorily completed a nursing assistant training