

# Title 33

## WASHINGTON SAVINGS ASSOCIATION ACT

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(2020 Ed.)

### Chapter 33.04 RCW

#### GENERAL PROVISIONS

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#### **33.04.002 Legislative declaration, intent—Purpose.**

The legislature finds that the statutory law relating to savings and loan associations has not been generally updated or modernized since 1945; and, as a result, many changes to Title 33 RCW should now be made with respect to the powers and duties of the director; to the provisions relating to the organization, management and conversion of savings and loan associations; and to the powers and restrictions placed upon savings and loan associations to make investments. While it is the intent of the legislature to grant permissive investment powers to state-chartered savings and loan associations, it does not intend these associations to abandon the residential financing market in Washington. It, therefore, finds that the powers granted in chapter 3, Laws of 1982 are for the purpose of updating and modernizing the law relating to savings and loan associations, thereby creating a more secure and responsive financial environment in which the residential home buyer will continue to obtain financing. [1994 c 92 § 413; 1982 c 3 § 1.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.004 Short title.** This title may be known and cited as the Washington savings association act. [2014 c 37 § 601.]

**Legislative declarations—Effective date—2014 c 37:** See RCW 30A.04.005 and 30A.04.902.

**33.04.005 Definitions.** Unless the context requires otherwise, the definitions in this section apply throughout this title.

(1) "Branch" means an established manned place of business or a manned mobile facility or other manned facility of an association, other than the principal office, at which deposits may be taken.

(2) "Depositor" means a person who deposits money in an association.

(3) "Domestic association" means a savings and loan association which is incorporated under the laws of this state.

(4) "Federal association" means a savings and loan association which is incorporated under federal law.

(5) "Foreign association" means a savings and loan association organized under the laws of another state.

(6)(a) "Member," in a mutual association, means a depositor or any other person who is a member of a class of persons granted membership rights by the articles of incorporation or bylaws.

(b) "Member," in a stock association, means a stockholder or any other person who is a member of a class of persons granted membership rights by the articles of incorporation or bylaws.

(7) "Mutual association" means an association formed without authority to issue stock.

(8) "Savings and loan association," "savings association" or "association," unless otherwise restricted, means a domestic or foreign association and includes a stock or a mutual association.

(9) "Stock association" means an association formed with the authority to issue stock.

(10) "Department" means department of financial institutions.

(11) "Director" means director of financial institutions. [1994 c 92 § 414; 1982 c 3 § 2.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.011 "Mortgage" includes deed of trust and real estate contract.** See RCW 33.24.005.

**33.04.020 Director—Powers and duties.** The director:

(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 the director deems desirable, on forms to be furnished by the director;

(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. The director may accept in lieu of an examination the report of the examining division of the federal home loan bank board, or the report of the savings and

loan department of another state, which has made and submitted a report of the condition of the affairs of the association, and if approved, the report shall have the same force and effect as though the examination were made by the director or one of his or her appointees;

(6) May accept or exchange any information or reports with the examining division of the federal home loan bank board or other like agency which may insure the accounts in an association or to which an association may belong or with the savings and loan department of another state which has authority to examine any association doing business in this state;

(7) May visit and examine into the affairs of any nonpublicly-held corporation in which the association has a material investment and any publicly-held corporation the capital stock of which is controlled by the 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) May, in the director's discretion, administer oaths to and to examine any person under oath concerning the affairs of any association or nonpublicly-held corporation in which the association has a material investment and any publicly-held corporation the capital stock of which 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

(9) Shall have power to commence and prosecute actions and proceedings to enforce the provisions of this title, to enjoin violations thereof, and to collect sums due to the state of Washington from any association. [1994 c 92 § 416; 1982 c 3 § 4; 1979 c 113 § 1; 1973 c 130 § 22; 1945 c 235 § 95; Rem. Supp. 1945 § 3717-214. Prior: 1933 c 183 §§ 79, 94, 95; 1919 c 169 § 12; 1913 c 110 § 19; 1890 p 56 § 19.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.022 Director—Powers under chapter 19.144 RCW.** The director or the director's designee may take such action as provided for in this title to enforce, investigate, or examine persons covered by chapter 19.144 RCW. [2008 c 108 § 19.]

**Findings—2008 c 108:** See RCW 19.144.005.

**33.04.025 Rules.** The director shall adopt uniform rules in accordance with the administrative procedure act, chapter 34.05 RCW, to govern examinations and reports of associations and the form in which they shall report their assets, liabilities, and reserves, charge off bad debts and otherwise keep their records and accounts, and otherwise to govern the administration of this title. The director shall mail a copy of the rules to each savings and loan association at its principal place of business. The person doing the mailing shall make and file his or her affidavit thereof in the office of the director. [1994 c 92 § 417; 1982 c 3 § 5; 1973 c 130 § 20.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.030 Compelling attendance of witnesses.** In event any person shall refuse to appear in compliance with any subpoena issued by the director or shall refuse to testify thereunder, the superior court of the state of Washington for the county in which such witness was required by said subpoena to appear, upon application of the director, shall have jurisdiction to compel such witness to attend and testify and to punish for contempt any witness not complying with the order of the court. [1994 c 92 § 418; 1945 c 235 § 96; Rem. Supp. 1945 § 3717-215. Prior: 1933 c 183 §§ 94, 95; 1919 c 169 § 12; 1913 c 110 § 19.]

**33.04.042 Cease and desist order—Notice of charges—Grounds—Hearing on—Issuance of order, when—Contents—Effective, when.** (1) The director may issue and serve upon an association a notice of charges if in the opinion of the director the association:

(a) Is engaging or has engaged in an unsafe or unsound practice in conducting the business of the association;

(b) Is violating or has violated a material provision of any law, rule, or any condition imposed in writing by the director in connection with the granting of any application or other request by the association or any written agreement made with the director; or

(c) Is about to do the acts prohibited in (a) or (b) of this subsection if the opinion that the threat exists is based upon reasonable cause.

(2) The notice shall contain a statement of the facts constituting the alleged violation or violations or the practice or practices and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue against the association. The hearing shall be set not earlier than ten days nor later than thirty days after service of the notice unless a later date is set by the director at the request of the association.

Unless the association appears at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease and desist order. In the event of this consent or if upon the record made at the hearing the director finds that any violation or practice specified in the notice of charges has been established, the director may issue and serve upon the association an order to cease and desist from the violation or practice. The order may require the association and its directors, officers, employees, and agents to cease and desist from the violation or practice and may require the association to take affirmative action to correct the conditions resulting from the violation or practice.

(3) A cease and desist order shall become effective at the expiration of ten days after the service of the order upon the association concerned except that a cease and desist order issued upon consent shall become effective at the time specified in the order and shall remain effective as provided therein unless it is stayed, modified, terminated, or set aside by action of the director or a reviewing court. [1994 c 92 § 419; 1982 c 3 § 7.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.044 Temporary cease and desist order—Issued, when—Effective, when—Duration.** Whenever the director determines that the acts specified in RCW 33.04.042 or their continuation is likely to cause insolvency or substan-

tial dissipation of assets or earnings of the association or to otherwise seriously prejudice the interests of its depositors, the director may also issue a temporary order requiring the association to cease and desist from the violation or practice. The order shall become effective upon service on the association and shall remain effective unless set aside, limited, or suspended by a court in proceedings under RCW 33.04.046 pending the completion of the administrative proceedings under the notice and until such time as the director shall dismiss the charges specified in the notice or until the effective date of a cease and desist order issued against the association under RCW 33.04.042. [1994 c 92 § 420; 1982 c 3 § 8.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.046 Temporary cease and desist order—Injunction against order on application of association—Jurisdiction.** Within ten days after an association has been served with a temporary cease and desist order, the association may apply to the superior court in the county of its principal place of business for an injunction setting aside, limiting, or suspending the order pending the completion of the administrative proceedings pursuant to the notice served under RCW 33.04.044.

The superior court shall have jurisdiction to issue the injunction. [1982 c 3 § 9.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.048 Temporary cease and desist order—Injunction to enforce—Jurisdiction.** In the case of a violation or threatened violation of a temporary cease and desist order issued under RCW 33.04.044, the director may apply to the superior court of the county of the principal place of business of the association for an injunction to enforce the order, and the court shall issue an injunction if it determines that there has been a violation or threatened violation. [1994 c 92 § 421; 1982 c 3 § 10.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.052 Cease and desist order—Administrative hearing—Procedure—Modification, termination, or setting aside of order—Review of order, procedure—Manner of service of notice or order.** (1) Any administrative hearing provided in RCW 33.04.042 may be held at such place as is designated by the director and shall be conducted in accordance with chapter 34.05 RCW. The hearing shall be private unless the director determines that a public hearing is necessary to protect the public interest after fully considering the views of the party afforded the hearing.

Within sixty days after the hearing, the director shall render a decision which shall include findings of fact upon which the decision is based and the director shall issue and serve upon each party to the proceeding an order or orders consistent with RCW 33.04.042.

Unless a petition for review is timely filed in the superior court of the county of the principal place of business of the affected association under subsection (2) of this section and until the record in the proceeding has been filed as therein provided, the director may at any time modify, terminate, or set aside any order upon such notice and in such manner as the director deems proper. Upon filing the record, the director

may modify, terminate, or set aside any order only with permission of the court.

The judicial review provided in this section for an order shall be exclusive.

(2) Any party to the proceeding or any person required by an order issued under RCW 33.04.042, 33.04.044 or 33.04.048 to refrain from any of the violations or practices stated therein may obtain a review of any order served under subsection (1) of this section other than one issued upon consent by filing in the superior court of the county of the principal place of business of the affected association within ten days after the date of service of the order a written petition praying that the order of the director be modified, terminated, or set aside. A copy of the petition shall be immediately served upon the director and the director shall then file in the court the record of the proceeding. The court shall have jurisdiction upon the filing of the petition, which jurisdiction shall become exclusive upon the filing of the record to affirm, modify, terminate, or set aside in whole or in part the order of the director except that the director may modify, terminate, or set aside an order with the permission of the court. The judgment and decree of the court shall be final, except that it is subject to appellate review under the rules of court.

(3) The commencement of proceedings for judicial review under subsection (2) of this section shall not operate as a stay of any order issued by the director unless specifically ordered by the court.

(4) Service of any notice or order required to be served under RCW 33.04.042 or 33.04.044 shall be accomplished in the same manner as required for the service of process in civil actions in superior courts of this state. [1994 c 92 § 422; 1982 c 3 § 11.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.054 Cease and desist order—Enforcement—Jurisdiction.** The director may apply to the superior court of the county of the principal place of business of the association affected for the enforcement of any effective and outstanding order issued under RCW 33.04.042, 33.04.044, or 33.04.048, and the court shall have jurisdiction to order compliance therewith.

No court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any order or to review, modify, suspend, terminate, or set aside any order except as provided in RCW 33.04.046 and 33.04.052. [1994 c 92 § 423; 1982 c 3 § 12.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.060 Appellate review.** An association may petition the superior court of the state of Washington for Thurston county for the review of any decision, ruling, requirement or other action or determination of the director, by filing its complaint, duly verified, with the clerk of the court and serving a copy thereof upon the director. Upon the filing of the complaint, the clerk of the court shall docket the same as a cause pending therein.

The director may answer the complaint and the petitioner reply thereto, and the cause shall be heard before the court as in other civil actions. Both the petitioner and the director may seek appellate review of the decision of the court to the supreme court or the court of appeals of the state of Washing-

ton. [1994 c 92 § 424; 1988 c 202 § 32; 1971 c 81 § 84; 1945 c 235 § 115; Rem. Supp. 1945 § 3717-234. Prior: 1933 c 183 § 95.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.090 Saturday closing authorized.** See RCW 30A.04.330.

**33.04.110 Examination reports and information—Confidential and privileged—Exceptions, limitations and procedure—Penalty.** (1) Except as otherwise provided in this section, all examination reports and all information obtained by the director and the director's staff in conducting examinations of associations are confidential and privileged information and shall not be made public or otherwise disclosed to any person, firm, corporation, agency, association, governmental body, or other entity.

(2) Subsection (1) of this section notwithstanding, the director may furnish in whole or in part examination reports prepared by the director's office to federal agencies empowered to examine state associations, to savings and loan supervisory agencies of other states which have authority to examine associations doing business in this state, to the attorney general in his or her role as legal advisor to the director, to the examined association as provided in subsection (4) of this section, and to officials empowered to investigate criminal charges. If the director furnishes any examination report to officials empowered to investigate criminal charges, the director may only furnish that part of the report which is necessary and pertinent to the investigation, and the director may do this only after notifying the affected savings and loan association and any customer of the savings and loan association who is named in that part of the report of the order to furnish the part of the examination report unless the officials requesting the report first obtain a waiver of the notice requirement from a court of competent jurisdiction for good cause. The director may also furnish in whole or in part examination reports concerning any association in danger of insolvency to the directors or officers of a potential acquiring party when, in the director's opinion, it is necessary to do so in order to protect the interests of members, depositors, or borrowers of the examined association.

(3) All examination reports furnished under subsection (2) of this section shall remain the property of the department of financial institutions and, except as provided in subsection (4) of this section, no person, agency, or authority to whom reports are furnished or any officer, director, or employee thereof shall disclose or make public any of the reports or any information contained therein except in published statistical material that does not disclose the affairs of any individual or corporation: PROVIDED, That nothing herein shall prevent the use in a criminal prosecution of reports furnished under subsection (2) of this section.

(4) The examination report made by the department of financial institutions is designed for use in the supervision of the association, and the director may furnish a copy of the report to the savings and loan association examined. The report shall remain the property of the director and will be furnished to the association solely for its confidential use. Neither the association nor any of its directors, officers, or employees may disclose or make public in any manner the

report or any portion thereof without permission of the board of directors of the examined association. The permission shall be entered in the minutes of the board.

(5) Examination reports and information obtained by the director and the director's staff in conducting examinations shall not be subject to public disclosure under chapter 42.56 RCW.

(6) In any civil action in which the reports are sought to be discovered or used as evidence, any party may, upon notice to the director, petition the court for an in camera review of the report. The court may permit discovery and introduction of only those portions of the report which are relevant and otherwise unobtainable by the requesting party. This subsection shall not apply to an action brought or defended by the director.

(7) This section shall not apply to investigation reports prepared by the director and the director's staff concerning an application for a new association or an application for a branch of an association. The director may adopt rules making confidential portions of such reports if in the director's opinion the public disclosure of the portions of the report would impair the ability to obtain the information which the director considers necessary to fully evaluate the application.

(8) Every person who intentionally violates any provision of this section is guilty of a gross misdemeanor. [2005 c 274 § 261; 1994 c 92 § 425; 1982 c 3 § 6; 1977 ex.s. c 245 § 3.]

*Examination reports and information from financial institutions exempt: RCW 42.56.400.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.04.120 Automated teller machines and night depositories security.** Chapter 19.174 RCW applies to automated teller machines and night depositories regulated under this title. [1993 c 324 § 13.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

### Chapter 33.08 RCW

#### ORGANIZATION—ARTICLES—BYLAWS

##### Sections

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33.08.110	Branch association—Authorized—Procedure—Limitations—Discontinuance of branch, procedure.

**33.08.010 Compliance required—Use of words in name or advertising—Penalty—Saving.** No person, firm, company, association, fiduciary, co-partnership, or corporation, either foreign or domestic, shall organize as, carry on or conduct the business of an association except in conformity with the terms and provisions of this title or unless incorpo-

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rated as a savings and loan association under the laws of the United States or use in name or advertising any of the following:

Any collocation employing either or both of the words "building" or "loan" with one or more of the words "saving", "savings", "thrift", or words of similar import except in conformity with this title;

Any collocation employing one or more of the words "saving", "savings", "thrift" or words of similar import, with one or more of the words "association", "institution", "society", "company", "corporation", or words of similar import, or abbreviations thereof except in conformity with this title or unless authorized to do business under the laws of this state or of the United States relating to savings and loan associations, banks, or mutual savings banks; nor shall the word "federal" be used as a part of such name unless the user is incorporated as a savings and loan association under the laws of the United States.

Neither shall the words "saving", or "savings", be used in any name or advertising or to represent in any manner to indicate that the business is of the character or kind of business carried on or transacted by an association or which is calculated to lead any person to believe that the business is that of an association unless authorized to do business under the laws of this state or of the United States relating to savings and loan associations, banks, or mutual savings banks.

Every person who, and every director and officer of every corporation which, to the knowledge of such director or officer, violates any provision of this section, shall be guilty of a gross misdemeanor. Such conduct shall also be deemed a nuisance and subject to abatement in the manner prescribed by law at the instance of the director of financial institutions or any other public body or officer authorized to do so.

The provisions of this section shall have no application to use of any word or collocation of words or to any representation or advertising which had been adopted and lawfully used by any person, firm, company, association, fiduciary, co-partnership or corporation lawfully engaged in business on March 24, 1959. [1994 c 92 § 426; 1959 c 280 § 1; 1945 c 235 § 2; Rem. Supp. 1945 § 3717-121. Prior: 1933 c 183 §§ 84, 100; 1919 c 169 § 1; 1913 c 110 §§ 2, 25; 1890 p 56 §§ 2, 22, 37.]

**33.08.020 Who may form association.** Any individuals desiring to transact a business of an association may, by complying with this chapter, become a body corporate for that purpose. [1982 c 3 § 13; 1945 c 235 § 3; Rem. Supp. 1945 § 3717-122. Prior: 1933 c 183 § 3; 1925 ex.s. c 144 § 1; 1913 c 110 § 1; 1903 c 116 § 1; 1890 p 56 § 1.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.08.030 Domestic association as stock or mutual association—Articles of incorporation.** A domestic association shall be incorporated either as a stock or a mutual association. The articles of incorporation shall specifically state:

(1) The name of the association, which shall include the words:

- (a) "Savings association";
- (b) "Savings and loan association"; or
- (c) "Savings bank";

(2) The city or town and county in which it is to have its principal place of business;

(3) The name, occupation, and place of residence of all incorporators, the majority of whom shall be Washington residents;

(4) Its purposes;

(5) Its duration, which may be for a stated number of years or perpetual;

(6) The amount of paid-in savings with which the association will commence business;

(7) The names, occupations, and addresses of the first directors;

(8) Whether the association is organized as a stock or mutual association and who has membership rights and the relative rights of different classes of members of the association; and

(9) Any provision the incorporators elect to so set forth which is permitted by RCW 23B.17.030.

The articles of incorporation may contain any other provisions consistent with the laws of this state and the provisions of this title pertaining to the association's business or the conduct of its affairs. [1994 c 256 § 117; 1983 c 42 § 1; 1982 c 3 § 14; 1949 c 20 § 1; 1945 c 235 § 4; Rem. Supp. 1949 § 3717-123. Prior: 1933 c 183 § 4; 1925 ex.s. c 144 § 1; 1919 c 169 § 5; 1913 c 110 §§ 1, 6; 1903 c 116 § 1; 1890 p 56 § 1.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.08.040 Bylaws.** The incorporators shall prepare bylaws for the government of the association, which shall include:

(1) The offices of the association and the respective duties assigned to them;

(2) Policies and procedures for the conduct of the business of the association;

(3) Any other matters deemed necessary or expedient.

Such bylaws must conform in all respects to the provisions of this title and the laws of this state. [1982 c 3 § 15; 1945 c 235 § 5; Rem. Supp. 1945 § 3717-124. Prior: 1933 c 183 § 5; 1919 c 169 § 1; 1913 c 110 § 2; 1890 p 56 § 3.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.08.050 Articles and bylaws to director.** The incorporators shall deliver to the director triplicate originals of the articles of incorporation and duplicate copies of its proposed bylaws. [1994 c 92 § 427; 1982 c 3 § 16; 1981 c 302 § 30; 1945 c 235 § 6; Rem. Supp. 1945 § 3717-125. Prior: 1933 c 183 § 6; 1890 p 56 § 3.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.08.055 Certificate of incorporation—Application, contents—Filing fee.** When the incorporators of a domestic association deliver the articles of incorporation and bylaws to the director, the incorporators shall submit an application for a certificate of incorporation, signed and verified by the incorporators, together with the filing fee. The application shall set forth:

(1) The names and addresses of the incorporators and proposed directors and officers of the association;

(2) A statement of the character, financial responsibility, experience, and fitness of the directors and officers to engage in the association business;

(3) Statements of estimated receipts, expenditures, earnings, and financial condition of the association for the first two years or such longer period as the director may require;

(4) A showing that the association will have a reasonable chance to succeed in the market area in which it proposes to operate;

(5) A showing that the public convenience and advantage will be promoted by the formation of the proposed association; and

(6) Any other matters the director may require. [1994 c 92 § 428; 1982 c 3 § 17.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.08.060 Investigation—Fee.** Upon receipt of the articles of incorporation and bylaws, the director shall proceed to determine, from all sources of information and by such investigation as he or she may deem necessary, whether:

(1) The proposed articles and bylaws comply with all requirements of law;

(2) The incorporators and directors possess the qualifications required by this title;

(3) The incorporators have available for the operation of the business at the specified location sufficient cash assets;

(4) The general fitness of the persons named in the articles of incorporation are such as to command confidence and warrant belief that the business of the proposed association will be honestly and efficiently conducted in accordance with the intent and purposes of this title;

(5) The public convenience and advantage will be promoted by allowing such association to be incorporated and engage in business in the market area indicated; and

(6) The population and industry of the market area afford reasonable promise of adequate support for the proposed association.

For the purpose of this investigation and determination, the incorporators, when delivering the articles and bylaws to the director, shall pay to the director an investigation fee, the amount of which shall be established by rule of the director. [1994 c 92 § 429; 1982 c 3 § 18; 1969 c 107 § 1; 1963 c 246 § 1; 1945 c 235 § 7; Rem. Supp. 1945 § 3717-126. Prior: 1933 c 183 § 6; 1925 ex.s. c 144 § 2; 1919 c 169 § 2; 1913 c 110 § 3; 1890 p 56 § 3.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.08.070 Approval or refusal—Appellate review.** The director, not later than six months after receipt of the proposed articles and bylaws shall endorse upon each copy thereof the word "approved" or "refused" and the date thereof. In case of refusal, he or she shall forthwith return one copy of the articles and bylaws to the incorporators, and the refusal shall be final unless the incorporators, or a majority of them, within thirty days after the refusal, appeal to the superior court of Thurston county. The appeal may be accomplished by the incorporators preparing a notice of appeal, serving a copy of it upon the director, and filing the notice with the clerk of the court, whereupon the clerk, under the direction of the judge, shall give notice to the appellants and to the director of a date for the hearing of the appeal. The

appeal shall be tried de novo by the court. At the hearing a record shall be kept of the evidence adduced, and the decision of the court shall be final unless appellate review is sought as in other cases. [1994 c 92 § 430; 1988 c 202 § 33; 1971 c 81 § 85; 1953 c 71 § 1; 1945 c 235 § 8; Rem. Supp. 1945 § 3717-127. Prior: 1933 c 183 § 7; 1925 ex.s. c 144 § 2; 1919 c 169 § 2; 1913 c 110 § 3; 1890 p 56 § 3.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.08.080 Articles and bylaws filed—Certificate of incorporation issued—Revocation of right to engage in business, when.** If the director approves the incorporation of the proposed association, the director shall forthwith return two copies of the articles of incorporation and one copy of the bylaws to the incorporators, retaining the others as a part of the files of the director's office. The incorporators, thereupon, shall file one set of the articles with the secretary of state and retain the other set of the articles of incorporation and the bylaws as a part of its minute records, paying to the secretary of state such fees and charges as are required by law. Upon receiving an original set of the approved articles of incorporation, duly endorsed by the director as herein provided, together with the required fees, the secretary of state shall issue the secretary of state's certificate of incorporation and deliver the same to the incorporators, whereupon the corporate existence of the association shall begin. Unless an association whose articles of incorporation and bylaws have been approved by the director shall engage in business within two years from the date of such approval, its right to engage in business shall be deemed revoked and of no effect. In the director's discretion, the two-year period in which the association must commence business may be extended for a reasonable period of time, which shall not exceed one additional year. [1994 c 92 § 431; 1982 c 3 § 19; 1981 c 302 § 31; 1945 c 235 § 9; Rem. Supp. 1945 § 3717-128. Prior: 1933 c 183 § 8; 1925 ex.s. c 144 § 2; 1919 c 169 § 2; 1913 c 110 § 3; 1890 p 56 § 1.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.08.090 Amendment of articles.** The members, at any meeting called for the purpose, may amend the articles of incorporation of the association by a majority vote of the members present, in person or in proxy. The amended articles shall be filed with the director and be subject to the same procedure of approval, refusal, appeal, and filing with the secretary of state as provided for the original articles of incorporation. Proposed amendments of the articles of incorporation shall be submitted to the director at least thirty days prior to the meeting of the members.

If the amendments include a change in the association's corporate name, the association shall give notice by mail to each association doing business within this state at its principal place of business of the filing of the amended articles. Persons interested in protesting an amendment changing the association's corporate name may contact the director in person or by writing prior to a date which shall be given in the notice. [1994 c 92 § 432; 1982 c 3 § 20; 1981 c 302 § 32; 1979 c 113 § 2; 1945 c 235 § 10; Rem. Supp. 1945 § 3717-129. Prior: 1933 c 183 §§ 9, 10; 1925 ex.s. c 144 § 1; 1913 c 110 § 1; 1903 c 116 § 1; 1890 p 56 §§ 16, 17.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.08.100 Amendment of bylaws.** The bylaws adopted by the incorporators and approved by the director shall be the bylaws of the association. The members, at any meeting called for the purpose, may amend the bylaws of the association on a majority vote of the members present, in person or by proxy, or the directors at any regular or special meeting called under the provisions of RCW 33.16.090 may amend the bylaws of the association on a two-thirds majority vote of the directors. Amendments of the bylaws shall become effective after being adopted by the board or the members. [1994 c 256 § 118; 1994 c 92 § 433; 1967 c 49 § 1; 1945 c 235 § 11; Rem. Supp. 1945 § 3717-130. Prior: 1933 c 183 §§ 9, 10; 1890 p 56 § 3.]

**Reviser's note:** This section was amended by 1994 c 92 § 433 and by 1994 c 256 § 118, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

**33.08.110 Branch association—Authorized—Procedure—Limitations—Discontinuance of branch, procedure.** An association with the written approval of the director, may establish and operate branches in any place within the state.

An association desiring to establish a branch shall file a written application therefor with the director, who shall approve or disapprove the application within four months after receipt.

The director's approval shall be conditioned on a finding that the resources in the market area of the proposed location offer a reasonable promise of adequate support for the proposed branch and that the proposed branch is not being formed for other than the legitimate purposes under this title. A branch shall not be established or permitted if the contingent fund, loss reserves and guaranty stock are less than the aggregate paid-in capital which would be required by law as a prerequisite to the establishment and operation of an equal number of branches in like locations by a commercial bank. If the application for a branch is not approved, the association shall have the right to appeal in the same manner and within the same time as provided by RCW 33.08.070 as now or hereafter amended. The association when delivering the application to the director shall transmit to the director a check in an amount established by rule to cover the expense of the investigation. An association shall not move any office more than two miles from its existing location without prior approval of the director.

The board of directors of an association, after notice to the director, may discontinue the operation of a branch. The association shall keep the director informed in the matter and shall notify the director of the date operation of the branch is discontinued. [1994 c 92 § 434; 1982 c 3 § 21; 1974 ex.s. c 98 § 1; 1969 c 107 § 2; 1959 c 280 § 7.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

## Chapter 33.12 RCW POWERS AND RESTRICTIONS

### Sections

33.12.010	Powers in general.
33.12.012	Additional powers of an association—Powers conferred upon federal savings and loan association as of December 31,

- 1993, or a subsequent date not later than July 28, 2013—  
Powers of an out-of-state state savings association.
- 33.12.014 Powers conferred upon federal savings and loan association—  
Reserve or other requirements—Authority of director to  
adopt by rule—Conditions.
- 33.12.015 Safe deposit companies.
- 33.12.060 Dealings with directors, officers, agents, employees prohib-  
ited—Exception.
- 33.12.140 Expense and contingent funds.
- 33.12.150 Contingent fund as reserve—Members' rights to fund limited.
- 33.12.170 May borrow from home loan bank.
- 33.12.180 Trustee of retirement plan established under federal act enti-  
tled "Self-Employed Individuals Tax Retirement Act of  
1962."

**33.12.010 Powers in general.** An association shall have the same capacity to act as possessed by natural persons. An association has authority to perform such acts as are necessary or proper to accomplish its purposes.

In addition to any other power an association may have, an association has authority:

- (1) To have and alter a corporate seal;
- (2) To continue as an association for the time limited in its articles of incorporation or, if no such time limit is specified, then perpetually;
- (3) To sue or be sued in its corporate name;
- (4) To acquire, hold, sell, dispose of, pledge, mortgage, or encumber property, as its interests and purposes may require;
- (5) To conduct business in this state and elsewhere as may be permitted by law and, to this end, to comply with any law, regulation, or other requirements incident thereto;
- (6) To acquire capital in the form of deposits, shares, or other accounts for fixed, minimum or indefinite periods of time as are authorized by its bylaws, and may issue such pass-books, statements, time certificates of deposit, or other evidence of accounts;
- (7) To pay interest;
- (8) To charge reasonable service fees for services provided as part of its business;
- (9) To borrow money and to pledge, mortgage, or hypothecate its properties and securities in connection therewith;
- (10) To collect or protest promissory notes or bills of exchange owned or held as collateral by the association;
- (11) To let vaults, safes, boxes, or other receptacles for the safekeeping or storage of personal property, subject to the laws and regulations applicable to and with the powers possessed by safe deposit companies; and to act as escrow holder;
- (12) To act as fiscal agent for the United States of America; to purchase, own, vote, or sell stock in, or act as fiscal agent for any federal home loan bank, the federal housing administration, home owners' loan corporation, or other state or federal agency, organized under the authority of the United States or of the state of Washington and authorized to loan to or act as fiscal agent for associations or to insure savings accounts or mortgages; and in the exercise of these powers, to comply with any requirements of law or rules or orders promulgated by such federal or state agency and to execute any contracts and pay any charges in connection therewith;
- (13) To procure insurance of its mortgages and of its accounts from any state or federal corporation or agency authorized to write such insurance and, in the exercise of these powers, to comply with any requirements of law or

rules or orders promulgated and to execute any contracts and pay any premiums required in connection therewith;

(14) To loan money and to sell any of its notes or other evidences of indebtedness, together with the collateral securing the same;

(15) To make, adopt, and amend bylaws for the management of its property and the conduct of its business;

(16) To deposit moneys and securities in any other association or any bank or savings bank or other like depository;

(17) To dissolve and wind up its business;

(18) To collect or compromise debts due to it and, in so doing, to apply to the indebtedness the accounts of the debtors, and to receive, as collateral or otherwise, other securities, property or property rights of any kind or nature;

(19) To become a member of, deal with, or make reasonable payments or contribution to any organization to the extent that such organization assists in furthering or facilitating the association's purposes, powers or community responsibilities, and to comply with any reasonable conditions of eligibility;

(20) To sell money orders, travelers checks and similar instruments as agent for any organization empowered to sell such instruments through agents within this state and to receive money for transmission through a federal home loan bank;

(21) To service loans and investments for others;

(22) To sell and to purchase mortgages or other loans, including participating interests therein;

(23) To use abbreviations, words or symbols in connection with any document of any nature and on checks, proxies, notices and other instruments which abbreviations, words, or symbols shall have the same force and legal effect as though the respective words and phrases for which they stand were set forth in full for the purposes of all statutes of the state and all other purposes;

(24) To conduct a trust business under rules adopted by the director pursuant to chapter 34.05 RCW;

(25) To exercise the powers and authorities of a state commercial bank to engage in trust business under RCW 30A.08.150 upon application to and approval by the director and subject to requirements and conditions that the director may establish by rule; and

(26) To exercise, by and through its board of directors and duly authorized officers and agents, all such incidental powers as may be necessary to carry on the business of the association.

The powers granted in this section shall not be construed as limiting or enlarging any grant of authority made elsewhere by this title. [2014 c 37 § 602; 1994 c 92 § 435; 1982 c 3 § 22; 1969 c 107 § 3; 1963 c 246 § 2; 1945 c 235 § 29; Rem. Supp. 1945 § 3717-148. Prior: 1939 c 98 §§ 6, 7; 1935 c 171 § 1; 1933 c 183 §§ 47, 48, 55, 59.]

**Legislative declarations—Effective date—2014 c 37:** See RCW 30A.04.005 and 30A.04.902.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.12.012 Additional powers of an association—Powers conferred upon federal savings and loan association as of December 31, 1993, or a subsequent date not later than July 28, 2013—Powers of an out-of-state state savings association.** (1) Notwithstanding any other provision of law,



in addition to all powers and authorities, express or implied, that an association has under this title, an association may exercise any of the powers and authorities that a federal savings and loan association had on December 31, 1993, or as of a subsequent date not later than July 28, 2013. As used in this section, "powers and authorities" include without limitation powers and authorities in corporate governance and operational matters.

(2) Notwithstanding any other provisions of law, a savings association has the powers and authorities that an out-of-state state savings association operating a branch in Washington has if the director finds that the exercise of such powers and authorities serves the convenience and advantage of depositors and borrowers, or the general public, and maintains the fairness of competition and parity between savings associations and out-of-state state savings associations.

(3) The restrictions, limitations and requirements applicable to specific powers and authorities of federal savings and loan associations or out-of-state state savings associations, as applicable, shall apply to savings associations exercising those powers and authorities permitted under this section but only insofar as the restrictions, limitations, and requirements relate to exercising the powers and authorities granted savings associations solely by this section. [2013 c 76 § 29; 1994 c 256 § 119; 1982 c 3 § 23; 1981 c 87 § 1.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.12.014 Powers conferred upon federal savings and loan association—Reserve or other requirements—Authority of director to adopt by rule—Conditions.** Notwithstanding any other provision of law, in addition to all powers and authorities, express or implied, that an association has under this title, the director may make reasonable rules authorizing an association to exercise any of the powers and authorities conferred at the time of the adoption of the rules upon a federal savings and loan association doing business in this state, or may modify or reduce reserve or other requirements if an association is insured by the federal savings and loan insurance corporation, if the director finds that the exercise of the power or authorities:

(1) Serves the convenience and advantage of depositors and borrowers; and

(2) Maintains the fairness of competition and parity between state-chartered savings and loan associations and federally-chartered savings and loan associations.

As used in this section, "powers and authorities" include without limitation powers and authorities in corporate governance matters.

The restrictions, limitations and requirements applicable to specific powers or authorities of federal savings and loan associations shall apply to associations exercising those powers or authorities permitted under this section but only insofar as the restrictions, limitations, and requirements relate to exercising the powers or authorities granted associations solely by this section. [1994 c 256 § 120; 1994 c 92 § 436; 1982 c 3 § 24; 1981 c 87 § 2.]

**Reviser's note:** This section was amended by 1994 c 92 § 436 and by 1994 c 256 § 120, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

(2020 Ed.)

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.12.015 Safe deposit companies.** See chapter 22.28 RCW.

**33.12.060 Dealings with directors, officers, agents, employees prohibited—Exception.** 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 except to the extent permitted to or from a director, officer, agent, or employee of a federal savings association. [1994 c 256 § 121; 1994 c 92 § 437; 1985 c 239 § 1; 1982 c 3 § 25; 1979 c 113 § 3; 1953 c 71 § 2; 1947 c 257 § 3; 1945 c 235 § 35; Rem. Supp. 1947 § 3717-154. Prior: 1939 c 98 § 10; 1933 c 183 §§ 51, 53.]

**Reviser's note:** This section was amended by 1994 c 92 § 437 and by 1994 c 256 § 121, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.12.140 Expense and contingent funds.** Before any association is authorized to receive deposits or transact any business, its incorporators shall create an expense fund, in such amount as the director may determine, from which the expense of organizing the association and its operating expenses may be paid until such time as its earnings are sufficient to pay its operating expenses, and the incorporators shall enter into an undertaking with the director to make such further contributions to the expense fund as may be necessary to pay its operating expenses until such time as it can pay them from its earnings.

Before any mutual association is authorized to receive deposits or transact any business, its incorporators shall create a contingent fund for the protection of its members against investment losses, in an amount to be determined by the director.

The contingent fund shall consist of payments in cash made by the incorporators as provided in this section and of all sums credited thereto from the earnings of the association as hereinafter required.

Prior to the liquidation of any mutual association the contingent fund shall not be encroached upon in any manner except for losses and for the repayment of contributions made by the incorporators.

No repayment of the contribution of incorporators to the contingent fund shall be made until the net balance credited to the contingent fund from earnings of the association, after such repayment, equals five percent of the amount due members.

The incorporators may receive interest upon the amount of their contributions to the contingent fund at the same rate as is paid, from time to time, to savings members.

The amounts contributed to the contingent fund by the incorporators shall not constitute a liability of the association except as hereinafter provided, and any loss sustained by the association in excess of that portion of the contingent fund created from earnings may be charged against such contributions pro rata. [1994 c 92 § 438; 1982 c 3 § 26; 1945 c 235 §

13; Rem. Supp. 1945 § 3717-132. Prior: 1933 c 183 § 77; 1925 ex.s. c 144 § 7; 1919 c 169 § 8; 1913 c 110 §§ 13, 14; 1903 c 106 §§ 3, 5; 1890 p 56 §§ 6, 15, 31.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.12.150 Contingent fund as reserve—Members' rights to fund limited.** The contingent fund shall constitute a reserve for the absorption of losses of a mutual association.

Members do not have, individually or collectively, any right or claim to the contingent fund except upon dissolution of the association. [1982 c 3 § 27; 1981 c 84 § 3; 1963 c 246 § 4; 1961 c 222 § 2; 1945 c 235 § 51; Rem. Supp. 1945 § 3717-170. Prior: 1933 c 183 §§ 63, 67; 1925 ex.s. c 144 § 7; 1919 c 169 § 8; 1913 c 110 §§ 13, 14; 1903 c 116 § 5; 1890 p 56 § 31.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.12.170 May borrow from home loan bank.** See RCW 30A.32.030.

*Home loan bank as depository: RCW 30A.32.040.*

*Investment in federal home loan bank stock or bonds authorized: RCW 30A.32.020.*

**33.12.180 Trustee of retirement plan established under federal act entitled "Self-Employed Individuals Tax Retirement Act of 1962."** A savings and loan association shall have the power to act as trustee under:

A retirement plan established pursuant to the provisions of the act of congress entitled "Self-Employed Individuals Tax Retirement Act of 1962" (76 Stat. 809, 26 U.S.C. Sec. 37), as now constituted or hereafter amended. If a retirement plan, which in the judgment of the savings and loan association, constituted a qualified plan under the provisions of that act at the time accepted by the savings and loan association, is subsequently determined not to be a qualified plan or subsequently ceases to be a qualified plan in whole or in part, the savings and loan association may, nevertheless, continue to act as trustee of any deposits theretofore made under the plan and to dispose of the same in accordance with the directions of the trustor and the beneficiaries thereof. [1973 1st ex.s. c 93 § 1.]

## Chapter 33.16 RCW

### DIRECTORS, OFFICERS, AND EMPLOYEES

#### Sections

33.16.010	Directors—Number—Vacancies.
33.16.020	Directors—Qualifications—Eligibility.
33.16.030	Directors—Prohibited acts.
33.16.040	Removal of director, officer or employee on objection of director of financial institutions—Procedure.
33.16.050	Removal of director for cause—When—Procedure.
33.16.060	Fiduciary relationship of directors and officers.
33.16.080	Officers—Election—Service.
33.16.090	Board meetings—Notice—Quorum.
33.16.120	Statement of assets and liabilities—Reports.
33.16.130	Bonds of officers and employees.
33.16.150	Pensions, retirement plans and other benefits.
33.16.170	Federal home loan bank as depository.

*Indemnification of directors, officers, employees, etc., by corporation, insurance: RCW 23B.08.320, 23B.08.500 through 23B.08.580, 23B.08.600, and 23B.17.030.*

**33.16.010 Directors—Number—Vacancies.** The business and affairs of every association shall be managed and controlled by a board of not less than seven nor more than fifteen directors, a majority of which shall not be officers or employees of the association. The persons designated in the articles of incorporation shall be the first directors.

Vacancies in the board of directors shall be filled by vote of the members at the annual meetings or at a special meeting called for the purpose. The board of directors may fill vacancies occurring on the board, such appointees to serve until the next annual meeting of the members. [1947 c 257 § 1; 1945 c 235 § 14; Rem. Supp. 1947 § 3717-133. Prior: 1933 c 183 § 11; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4; 1890 p 56 § 32.]

**33.16.020 Directors—Qualifications—Eligibility.** The board of directors shall be elected at the annual meeting, unless the bylaws of the association otherwise provide.

A person shall not be a director of an association if the person has been adjudicated bankrupt or has taken the benefit of any assignment for the benefit of creditors or has suffered a judgment recovered against him or her for a sum of money to remain unsatisfied of record or unsuperseded on appeal for a period of more than three months.

To be eligible to hold the position of director of an association, a person must have savings or stock or a combination thereof in the sum or the aggregate sum of at least one thousand dollars. Such minimum amount shall not be reduced either by withdrawal or by pledge for a loan or in any other manner, so long as he or she remains a director of the association. [2011 c 336 § 757; 1982 c 3 § 28; 1963 c 246 § 5; 1945 c 235 § 15; Rem. Supp. 1945 § 3717-134. Prior: 1933 c 183 §§ 12, 14; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.030 Directors—Prohibited acts.** A director of a savings and loan association shall not, except to the extent permitted for a director of a federal savings and loan association:

(1) Have any interest, direct or indirect, in the gains or profits of the association, except to receive dividends, or interest upon his or her contribution to the contingent fund or upon his or her deposit accounts. However, nothing in this subsection shall prevent an officer from receiving his or her authorized compensation nor from participating in a benefit program under RCW 33.16.150, nor prevent a director from receiving an authorized director's fee;

Receive and retain, directly or indirectly, for his or her own use any commission on any loan, or purchase of real property or securities, made by the association;

(2) Become an endorser, surety, or guarantor, or in any manner an obligor, for any loan made by the association;

(3) For himself or herself or as agent, partner, stockholder, or officer of another, directly or indirectly, borrow from the association, except as hereinafter provided. [1994 c 256 § 122; 1982 c 3 § 29; 1945 c 235 § 16; Rem. Supp. 1945 § 3717-135. Prior: 1933 c 183 §§ 21, 62.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.040 Removal of director, officer or employee on objection of director of financial institutions—Procedure.** If the director shall notify the board of directors of any association in writing, that he or she has information that any director, officer, or employee of such association is dishonest, reckless, or incompetent or is failing to perform any duty of his or her office, the board shall meet and consider such matter forthwith and the director shall have notice of the time and place of such meeting. If the board shall find the director's objection to be well-founded, such director, officer, or employee shall be removed immediately. If the board does not remove the director, officer, or employee against whom the objections have been filed, or if the board fails to meet, consider or act upon the objections within twenty days after receiving the same, the director may forthwith or within twenty days thereafter, remove such individual by complying with the administrative procedure act, chapter 34.05 RCW. If the director feels that the public interest or safety of the association requires the immediate removal of such individual, the director may petition the superior court for a temporary injunction suspending the performance of the individual as a director pending the administrative procedure hearing. [1994 c 92 § 439; 1982 c 3 § 30; 1973 c 130 § 21; 1945 c 235 § 17; Rem. Supp. 1945 § 3717-136. Prior: 1933 c 183 § 18.]

*Appointment of provisional officers and directors: RCW 33.40.150.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.050 Removal of director for cause—When—Procedure.** If a director becomes ineligible or if the director's conduct or habits are such as to reflect discredit upon the association or if other good cause exists, the director may be removed from office by an affirmative vote of two-thirds of the members of the board of directors at any regular meeting of the board or at any special meeting called for that purpose. No such vote upon removal of a director shall be taken until the director has been advised of the reasons therefor and has had opportunity to submit to the board of directors a statement relative thereto, either oral or written. If the director affected is present at the meeting, he or she shall leave the place where the meeting is being held after his or her statement has been submitted and prior to the vote upon the matter of his or her removal. [2011 c 336 § 758; 1982 c 3 § 31; 1945 c 235 § 19; Rem. Supp. 1945 § 3717-138. Prior: 1933 c 183 § 17; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.060 Fiduciary relationship of directors and officers.** Directors and officers of an association shall be deemed to stand in a fiduciary relation to the association and shall discharge the duties of their respective positions in good faith and with that diligence, care, and skill which ordinary, prudent persons would exercise under similar circumstances in like position. [1982 c 3 § 32; 1945 c 235 § 20; Rem. Supp. 1945 § 3717-139. Prior: 1933 c 183 § 15; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.080 Officers—Election—Service.** The board of directors of the association shall elect the officers named in the bylaws of the association, which officers shall serve at the pleasure of the board. [1982 c 3 § 33; 1945 c 235 § 22; Rem.

(2020 Ed.)

Supp. 1945 § 3717-141. Prior: 1939 c 98 § 2; 1933 c 183 §§ 19, 20.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.090 Board meetings—Notice—Quorum.** The board of directors of each association shall hold a regular meeting at least once each quarter and whenever required by the director, at a time to be designated by it. Special meetings of the board of directors may be held upon notice to each director sufficient to permit his or her attendance.

At any meeting of the board of directors, a majority of the members shall constitute a quorum for the transaction of business.

The president of the association or chair of the board or any three members of the board may call a meeting of the board by giving notice to all of the directors. [2011 c 336 § 759; 1994 c 256 § 123; 1982 c 3 § 34; 1945 c 235 § 23; Rem. Supp. 1945 § 3717-142. Prior: 1933 c 183 § 19.]

**Findings—Construction—1994 c 256:** See RCW 43.320.007.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.120 Statement of assets and liabilities—Reports.** The board of directors shall cause to be prepared, from the books of the association, a statement of assets and of liabilities, at the end of the association's fiscal year.

The board shall also cause to be prepared, certified, and filed with the director, upon blanks to be furnished by the director, such reports and statements as the director, from time to time, may require. [1994 c 92 § 440; 1982 c 3 § 35; 1973 c 130 § 23; 1945 c 235 § 27; Rem. Supp. 1945 § 3717-146. Prior: 1933 c 183 § 79; 1919 c 169 §§ 11, 12; 1913 c 110 §§ 18, 19; 1890 p 56 §§ 18, 36.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.130 Bonds of officers and employees.** The board of directors of every association shall procure a bond or bonds, covering all of its active officers, agents, and employees, 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 director and shall be filed with him or her. 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. [1994 c 92 § 441; 1979 c 113 § 4; 1945 c 235 § 28; Rem. Supp. 1945 § 3717-

147. Prior: 1939 c 98 § 2; 1933 c 183 § 20; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4; 1890 p 56 § 21.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.150 Pensions, retirement plans and other benefits.** An association may provide for pensions, retirement plans and other benefits for its officers and employees, and may contribute to the cost thereof in accordance with the plan adopted by its board of directors. Any officer or employee of the association who is also a director or any director who has been an officer or employee is eligible for and may receive such pension, retirement plan, or other benefit to the extent that the officer or employee regularly participates or the director while an officer or employee regularly participated in the operation of the association. [1982 c 3 § 36; 1945 c 235 § 38; Rem. Supp. 1945 § 3717-157.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.16.170 Federal home loan bank as depository.** See RCW 30A.32.040.

### Chapter 33.20 RCW MEMBERS—SAVINGS

#### Sections

33.20.005	Deposits by individuals governed by chapter 30.22 RCW.
33.20.010	Mutual association member's interest in assets—Meetings—Voting—Proxies.
33.20.040	Minors as members.
33.20.060	State, political subdivisions, fiduciaries as depositors.
33.20.125	Record of member deposits—As in lieu of passbook, statement, or certificate of deposit.
33.20.130	Dormant accounts.
33.20.150	Deposits with interest to be repaid on request—Postponement of withdrawals—Procedure.
33.20.170	Withdrawals may be limited—Conditions.
33.20.180	Classification of depositors—Regulation of earnings according to class.
33.20.190	Withdrawal by association draft or negotiable or transferable order or authorization—Interest eligibility.

**33.20.005 Deposits by individuals governed by chapter 30.22 RCW.** Deposits made by individuals in an association are governed by \*chapter 30.22 RCW. [1981 c 192 § 29.]

\*Reviser's note: Chapter 30.22 RCW was recodified as chapter 30A.22 RCW pursuant to 2014 c 37 § 4, effective January 5, 2015.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.20.010 Mutual association member's interest in assets—Meetings—Voting—Proxies.** Each member having deposits in a mutual association shall have a proportionate proprietary interest in its assets or net earnings subordinate to the claims of its other creditors. At any meeting of the members of a mutual association, each member shall be entitled to at least one vote. A mutual association, by its bylaws, may provide that each member shall be entitled to one vote for each one hundred dollars of the member's deposit account. At any meeting of the members, voting may be in person or by proxy. Proxies shall be in writing and signed by the member and, when filed with the secretary, shall continue in force until revoked or superseded by subsequent proxies. Written notice of the time and place of the holding of special meetings (other than the regular annual meeting) shall be mailed to each member at his or her last known address not

more than thirty days, nor less than ten days prior to the meeting. The regular annual meeting of the mutual association shall be announced by publication of a notice thereof in a newspaper published in the city or town, or, if the association is not in a city or town, in the county in which the association is located at least ten days prior to the date of such meeting, or by ten days' written notice to the members mailed to the last known address of each member. [2011 c 336 § 760; 1982 c 3 § 37; 1969 c 107 § 4; 1949 c 20 § 2; 1945 c 235 § 12; Rem. Supp. 1949 § 3717-131. Prior: 1933 c 183 §§ 13, 39; 1919 c 169 § 4; 1913 c 110 § 5; 1903 c 116 § 6; 1890 p 56 § 39.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.20.040 Minors as members.** Subject to \*chapter 30.22 RCW, minors may become depositors or members of an association and all contracts entered into between a minor and an association, with respect to his or her membership or his or her deposits therein, shall be valid and enforceable, and a minor may not disaffirm, because of his or her minority, any such membership or agreement in connection therewith. [2011 c 336 § 761; 1982 c 3 § 38; 1981 c 192 § 30; 1945 c 235 § 41; Rem. Supp. 1945 § 3717-160. Prior: 1933 c 183 §§ 24, 40; 1919 c 169 § 5; 1913 c 110 § 6.]

\*Reviser's note: Chapter 30.22 RCW was recodified as chapter 30A.22 RCW pursuant to 2014 c 37 § 4, effective January 5, 2015.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.20.060 State, political subdivisions, fiduciaries as depositors.** The state of Washington and the political subdivisions thereof, and trustees, administrators, executors, guardians, and other fiduciaries, either individual or corporate, in their fiduciary capacity, may be depositors in associations. [1982 c 3 § 39; 1945 c 235 § 44; Rem. Supp. 1945 § 3717-163.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.20.125 Record of member deposits—As in lieu of passbook, statement, or certificate of deposit.** An association shall maintain a record of all deposits received from its members. The issuance of a passbook, statement, or certificate may be omitted for any account if a record thereof is maintained in lieu of a passbook, statement, or certificate of deposit, on which shall be entered deposits, withdrawals, and interest credited. [1982 c 3 § 40.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.20.130 Dormant accounts.** When any savings member shall have neither paid in nor withdrawn any funds from his or her savings account in the association for seven consecutive years, and his or her whereabouts is unknown to the association and he or she shall not respond to a letter from the association inquiring as to his or her whereabouts, sent by registered mail to his or her last known address, the association may transfer his or her account to a "Dormant Accounts" fund. Any savings account in the "Dormant Accounts" fund shall not participate in the earnings of the association except by permissive action of the directors of the association. The member, or his or her or its executor, administrator, successors or assigns, may claim the amount so transferred from his or her account to the dormant accounts fund at any time after such transfer. Should the association be placed in liquidation

while any savings account shall remain credited in the dormant accounts fund and before any valid claim shall have been made thereto, as hereinabove provided, such savings account so credited, upon order of the director and without any other escheat proceedings, shall escheat to the state of Washington. [1994 c 92 § 442; 1945 c 235 § 53; Rem. Supp. 1945 § 3717-172. Prior: 1933 c 183 § 38.]

*Escheats: Chapter 11.08 RCW.*

*Uniform unclaimed property act: Chapter 63.29 RCW.*

**33.20.150 Deposits with interest to be repaid on request—Postponement of withdrawals—Procedure.** The deposits paid into an association, together with any interest credited thereon, shall be repaid to the depositors thereof respectively, or to their legal representatives, upon request.

If, in the judgment of the board, circumstances warrant deferment of the payment of withdrawals from savings accounts to a later date, thereafter withdrawals shall be paid proportionately, on a percentage basis, to all depositors requesting withdrawal until full withdrawal requests are paid to all depositors. 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.

If, upon examination, the director finds that further postponement of withdrawals is unwarranted, the director 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 director to take charge of or liquidate the association. [1994 c 92 § 443; 1982 c 3 § 41; 1979 c 113 § 5; 1953 c 71 § 5; 1945 c 235 § 54; Rem. Supp. 1945 § 3717-173. Prior: 1939 c 98 § 5; 1933 c 183 §§ 29, 30, 31, 32, 33, 34, 37; 1919 c 169 § 10; 1913 c 110 § 16; 1890 p 56 § 27.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.20.170 Withdrawals may be limited—Conditions.** The director further is empowered, if in his or her judgment the circumstances warrant it, to issue in writing a declaration that an acute business depression, state of panic, or economic emergency exists, in which event the directors of any association, state or federal, within the state may limit withdrawals by resolution, subject to the following conditions; that incoming funds shall be applied:

First, to the payment of operating expenses, indebtedness, taxes, insurance, and to the necessary charges for the protection of the association and its investments;

Second, to the payment to members of emergency withdrawals not exceeding twenty-five dollars per month to any member. The board of directors of any association, with the prior written approval of the director, by resolution may authorize the payment of emergency withdrawals not exceeding one hundred dollars per month to any member;

Third, to the payment of dividends on the savings of its members;

Fourth, three-fourths of all remaining receipts of the association, except interest payments, shall be applied to the

payment of withdrawals, until all withdrawal requests have been paid.

All such withdrawal payments shall be made to members having withdrawal requests on file in proportion to the amount of such withdrawal requests. [1994 c 92 § 444; 1945 c 235 § 99; Rem. Supp. 1945 § 3717-218. Prior: 1939 c 98 § 5; 1933 c 183 §§ 29, 30, 31, 32, 33, 34; 1919 c 169 § 10; 1913 c 110 § 16; 1890 p 56 § 27.]

**33.20.180 Classification of depositors—Regulation of earnings according to class.** An association may classify its depositors according to the character, amount, frequency or duration of their dealings with the association and may regulate the earnings in such manner that each depositor receives the same rate of interest as all others of the depositor's class. [1982 c 3 § 42; 1969 c 107 § 9.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.20.190 Withdrawal by association draft or negotiable or transferable order or authorization—Interest eligibility.** An association may, on instruction from a depositor, effect withdrawals from the depositor's account by the association's drafts payable to parties and on terms as so instructed. An association may allow a depositor to effect withdrawals or transfers from the depositor's account upon negotiable or transferable order or authorization to the association. To the extent of the subjection of accounts to such withdrawal instructions or orders, such accounts may be specifically classified under RCW 33.20.180 and ineligible to receive interest or eligible only for limited interest. [1982 c 3 § 43; 1980 c 54 § 1; 1969 c 107 § 10.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

## Chapter 33.24 RCW

### LOANS AND INVESTMENTS

#### Sections

33.24.005	"Mortgage" includes deed of trust and real estate contract.
33.24.007	"Real property" defined.
33.24.010	Authority to invest—Limits on loans and extensions of credit.
33.24.015	Loans generally—Limitation.
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33.24.025	Investment in investment trusts or companies.
33.24.030	Obligations of this state.
33.24.040	Obligations of other states.
33.24.050	Obligations of municipal corporations in this state.
33.24.060	Obligations of municipal corporations in any state.
33.24.065	Obligations issued or guaranteed by multilateral development bank.
33.24.070	City or district light, water, and sewer revenue bonds.
33.24.080	Local improvement district bonds.
33.24.090	Obligations of federal and state agencies—Investment in other associations.
33.24.100	Loans or other obligations secured by real property.
33.24.115	Forming, incorporating with, or investing in other entities—Limitation.
33.24.160	Investment in office equipment and real property interests used in doing business.
33.24.200	Personal liability on unlawful loans.
33.24.210	Revenue bonds of public utility districts.
33.24.220	Stock or bonds of federal home loan bank.
33.24.270	Stock in small business investment companies.
33.24.295	Loans for nonbusiness family purposes—Limitation.
33.24.345	Acquisition of control of association—Authorized.
33.24.350	Acquisition of control of association—Definitions.
33.24.360	Acquisition of control of association—Unlawful, when—Application—Contents—Notice to other associations—Penalty.

- 33.24.370 Acquisition of control of association—Action or proceeding to prevent—Grounds.
- 33.24.375 Acquisition of control of association—Application to foreign association branches.

*Federal bonds and notes as investment or collateral: Chapter 39.60 RCW.*

*Interest and usury in general: Chapter 19.52 RCW.*

*Mortgages: Title 61 RCW.*

*Real property and conveyances: Title 64 RCW.*

**33.24.005 "Mortgage" includes deed of trust and real estate contract.** The word "mortgage" as used in this title includes deed of trust and real estate contract. [1982 c 3 § 44; 1973 c 130 § 28.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.007 "Real property" defined.** Unless the context clearly requires otherwise, "real property" means improved or unimproved real estate and includes leasehold interests in improved or unimproved real estate and includes manufactured housing whether temporarily, semipermanently, or permanently attached to land and mobile homes and manufactured homes whose title has been eliminated under chapter 65.20 RCW. [1989 c 343 § 23; 1982 c 3 § 49.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.010 Authority to invest—Limits on loans and extensions of credit.** (1) An association may invest its funds only as provided in this chapter.

(2) An association is subject to the same limits on loans and extensions of credit, and exceptions thereto, as set forth in \*RCW 30.04.111. [2013 c 76 § 30; 1994 c 92 § 445; 1982 c 3 § 45; 1979 c 113 § 6; 1963 c 246 § 7; 1953 c 71 § 6; 1947 c 257 § 5; 1945 c 235 § 58; Rem. Supp. 1947 § 3717-177. Prior: 1939 c 98 § 11; 1933 c 183 §§ 39, 52, 56, 58; 1925 ex.s. c 144 § 5; 1913 c 110 §§ 8, 9; 1903 c 116 § 2; 1890 p 56 §§ 4, 30.]

\*Reviser's note: RCW 30.04.111 was recodified as RCW 30A.04.111 pursuant to 2014 c 37 § 4, effective January 5, 2015.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.015 Loans generally—Limitation.** An association may invest not more than twenty percent of its assets in loans on such terms as it deems appropriate. [1982 c 3 § 51.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.020 Obligations of United States or Canada.** An association may invest its funds in loans upon or purchases of the bonds or obligations of or bonds or obligations guaranteed by the United States of America, including bonds of the District of Columbia, of the Dominion of Canada, or those for which the faith of the United States or the Dominion of Canada is pledged to provide for the payment of interest and principal: PROVIDED, That, in the case of bonds of the Dominion of Canada or those for which its faith is pledged, the interest and principal shall be payable in the United States or with exchange to a city in the United States and in lawful money of the United States or its equivalent. [1947 c 257 § 6; 1945 c 235 § 59; Rem. Supp. 1947 § 3717-178. Prior: 1939 c 98 § 11; 1935 c 9 §§ 1, 2, 3; 1933 c 183 § 56.]

**33.24.025 Investment in investment trusts or companies.** Except as may be limited by the director by rule, an

association may invest its funds in obligations of the United States, as authorized by RCW 33.24.020, either directly or in the form of securities of, or other interests in, an open-end or closed-end management type investment company or investment trust registered under the federal investment company act of 1940, as now or hereafter amended, if both of the following conditions are met:

(1) The portfolio of the investment company or investment trust is limited to obligations of the United States and to repurchase agreements fully collateralized by such obligations; and

(2) The investment company or investment trust takes delivery of the collateral for any repurchase agreement either directly or through an authorized custodian. [1994 c 92 § 446; 1989 c 97 § 3.]

**33.24.030 Obligations of this state.** An association may invest its funds in the bonds or interest bearing obligations of this state or any agency thereof. [1955 c 126 § 1; 1945 c 235 § 60; Rem. Supp. 1945 § 3717-179. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

**33.24.040 Obligations of other states.** An association may invest its funds in the bonds or interest bearing obligations of any other state of the United States upon which there is no existing default and upon which there has been no default for more than ninety days within ten years immediately preceding the investment: PROVIDED, That such state has not been in default for more than ninety days, within said ten years, in the payment of any part of the principal or interest of any debt contracted by it or for which the faith of such state was pledged. [1945 c 235 § 61; Rem. Supp. 1945 § 3717-180. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

**33.24.050 Obligations of municipal corporations in this state.** An association may invest its funds in the valid warrants or bonds of any city, town, county, school district, port district, or other municipal corporation in the state of Washington which are issued pursuant to law and for the payment of which the faith and credit of such municipal corporations is pledged and taxes are leviable upon all taxable property within its limits. The aggregate of the investments of an association in any issue of such warrants or bonds shall at no time exceed five percent of the amount of its savings accounts. [1945 c 235 § 62; Rem. Supp. 1945 § 3717-181. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

**33.24.060 Obligations of municipal corporations in any state.** An association may invest its funds in the valid warrants or bonds of any city, county, school district, port district, or other municipal corporation in the United States having a population of not less than fifty thousand inhabitants as determined by the last federal census, which municipal corporation has not defaulted in the payment of interest or principal upon any general obligation, including those for which its credit was pledged, within ten years last past, and for the payment of which the faith and credit of such municipal corporation is pledged and taxes are leviable upon all taxable property within its limits. No such investment shall be made unless the warrants or bonds for purchase are rated not less than BAA by Moody's Investors' Service, or have equiv-

alent rating of another standard rating bureau, and the aggregate of the investments of an association in any issue of such warrants or bonds shall at no time exceed five percent of the amount of its savings accounts. [1945 c 235 § 63; Rem. Supp. 1945 § 3717-182. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

**33.24.065 Obligations issued or guaranteed by multilateral development bank.** An association may invest in obligations issued or guaranteed by any multilateral development bank in which the United States government formally participates. Such investment in any one multilateral development bank shall not exceed five percent of the association's assets. [1985 c 301 § 3.]

**33.24.070 City or district light, water, and sewer revenue bonds.** An association may invest its funds in the revenue bonds of any city, town, district, or political subdivision of this state for the payment of which revenue of the city, town, district or political subdivision utility or revenue producing facility is irrevocably pledged.

It may invest its funds in the light, water, or sewer revenue bonds of any city or other municipal corporation in the United States having a population of not less than fifty thousand inhabitants as determined by the last federal census, which has not defaulted in the payment of interest or principal upon this or any like obligation, including those for which its credit was pledged, within ten years last past, for the payment of which the entire revenue of the city's or other municipal corporation's light, water, or sewer system, less maintenance and operating costs, is irrevocably pledged.

The aggregate of the investments of an association in any issue of such revenue bonds shall at no time exceed five percent of the amount of its savings accounts. [1955 c 126 § 2; 1945 c 235 § 64; Rem. Supp. 1945 § 3717-183. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

**33.24.080 Local improvement district bonds.** An association may invest its funds in the bonds of any local improvement district of any city of this state (except bonds issued for an improvement consisting of grading only), the ultimate payment of which is guaranteed by the municipality under the provisions of guaranty laws of this state: PROVIDED, That one-half of the lots in the district are improved with revenue producing houses or other improvements and that local improvement district bonds falling within the twenty-five percent, in amount of any issue, last callable for payment shall neither be acquired nor taken as security. The aggregate of the investments of an association in any issue of such bonds shall at no time exceed three percent of the amount of its savings accounts, and it may not have invested, at any one time, more than one hundred thousand dollars in the bonds of any such district. [1953 c 71 § 7; 1945 c 235 § 65; Rem. Supp. 1945 § 3717-184. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

**33.24.090 Obligations of federal and state agencies—Investment in other associations.** An association may invest its funds in stock or notes, bonds, debentures, or other such obligations of any federal home loan bank, the Home Owners' Loan Corporation, any federal land bank, the Fed-

eral Savings and Loan Insurance Corporation, the Federal Housing Administration, the Federal National Mortgage Association, or any other instrumentality of the federal government, or any state or federal agency organized under the laws of the United States or of the state of Washington authorized to loan to or act as a fiscal agency for, or insurer of, a savings and loan association.

An association may become a member of and invest its funds in other savings and loan associations organized under either federal or state law, which have an authorized office in this state: PROVIDED, That the investment in any such other savings and loan association shall not exceed the amount which is insured by the Federal Savings and Loan Insurance Corporation. [1959 c 280 § 3; 1953 c 71 § 8; 1945 c 235 § 66; Rem. Supp. 1945 § 3717-185. Prior: 1939 c 98 § 11; 1935 c 9 § 1, 2, 3; 1933 c 183 § 56.]

**33.24.100 Loans or other obligations secured by real property.** An association may invest its funds in loans, mortgages, or other obligations secured by real property. [1982 c 3 § 46; 1979 c 113 § 7; 1969 c 107 § 5; 1949 c 20 § 6; 1945 c 235 § 67; Rem. Supp. 1949 § 3717-186. Prior: 1939 c 98 § 11; 1935 c 9 §§ 1, 2, 3; 1933 c 183 §§ 56, 58; 1925 ex.s. c 144 § 5; 1913 c 110 §§ 8, 9; 1903 c 116 § 2; 1890 p 56 § 4.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.115 Forming, incorporating with, or investing in other entities—Limitation.** An association, alone or in conjunction with other entities, may form, incorporate, or invest in corporations or other entities, whether or not such other corporation or entity is related to the association's business. The aggregate amount of funds invested or used in the formation of corporations or other entities under this section shall not exceed ten percent of the assets of the association. [1982 c 3 § 50.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.160 Investment in office equipment and real property interests used in doing business.** An association may invest its funds in the acquisition of furniture, fixtures and office equipment convenient and necessary for the carrying on of its business.

An association may invest its funds in real property or leasehold interests therein for use in the transaction of its business. [1982 c 3 § 47; 1945 c 235 § 73; Rem. Supp. 1945 § 3717-192. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.200 Personal liability on unlawful loans.** Every director, officer, agent, or employee of an association who shall borrow or who shall knowingly permit any person to borrow any of its funds in violation of the provisions of this title shall be personally liable for any loss or damage which the association may sustain in consequence thereof. [1945 c 235 § 94; Rem. Supp. 1945 § 3717-213.]

**33.24.210 Revenue bonds of public utility districts.** See RCW 54.24.120.

**33.24.220 Stock or bonds of federal home loan bank.** See RCW 30A.32.020.

*Home loan bank as depository: RCW 30A.32.040.*

*May borrow from home loan bank: RCW 30A.32.030.*

**33.24.270 Stock in small business investment companies.** A savings and loan association may purchase and hold for its own investment accounts stock in small business investment companies licensed and regulated by the United States as authorized by the small business act, Public Law 85-536, as amended and now in force, in an amount not to exceed one percent of its assets. [1973 c 130 § 30; 1969 c 107 § 13.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.295 Loans for nonbusiness family purposes—Limitation.** An association may invest not to exceed twenty percent of its assets in loans for any nonbusiness family purposes. [1982 c 3 § 48; 1979 c 113 § 12; 1973 c 130 § 27.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.345 Acquisition of control of association—Authorized.** A person or other entity, including an association, organized under the laws of this state or authorized to transact business in this state, may acquire any or all of the assets or shares of stock of any association authorized to transact business under this title. [1982 c 3 § 52.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.350 Acquisition of control of association—Definitions.** Unless the context requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Subsidiary" of a person or other entity means any person or other entity which is controlled by such person or other entity.

(2) "Control" means directly or indirectly or acting in concert with one or more other persons or entities, or through one or more subsidiaries, owning, controlling, or holding with the power to vote twenty-five percent or more of the voting rights of an association.

(3) "Acquiring party" means the person or other entity acquiring control of a savings and loan association. [1982 c 3 § 53; 1973 c 130 § 1.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.360 Acquisition of control of association—Unlawful, when—Application—Contents—Notice to other associations—Penalty.** (1) It is unlawful for any acquiring party to acquire control of an association until thirty days after the date of filing with the director an application containing substantially all of the following information and any additional information that the director may prescribe as necessary or appropriate in the public interest or for the protection of deposit account holders, borrowers or stockholders:

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

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

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

(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 the statement so requests, the director shall not disclose the name of the lender to the public;

(e) Any plans or proposals which any acquiring party making the acquisition may have to liquidate the 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;

(f) The identification of any persons employed, retained or to be compensated by the acquiring party, or by any person on his or her 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;

(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.

(2) When an unincorporated company is required to file the statements under subsection (1)(a), (b), and (f) of this section, the director 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 subsection (1)(a), (b), and (f) of this section, the director 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. 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 federal 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 federal 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 director in lieu of the requirements of this section.

(3) The director shall give notice by mail to all 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 director for two hundred dollars when filing the application to cover the expense of notification. Persons interested in protesting the application may contact the director in person or by writing prior to a date which shall be given in the notice.

(4) Any person who willfully violates this section, or any regulation or order thereunder, is guilty of a misdemeanor and shall be fined not more than one thousand dollars for each day during which the violation continues. [2003 c 53 § 197; 1994 c 92 § 447; 1982 c 3 § 54; 1979 c 113 § 13; 1973 c 130 § 2.]



**Intent—Effective date—2003 c 53:** See notes following RCW 2.48.180.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.370 Acquisition of control of association—Action or proceeding to prevent—Grounds.** The director may within thirty days after the date of filing of the application under RCW 33.24.360, file an action or proceeding in superior court to prevent the pending acquisition of control if the director finds any of the following:

(1) The acquisition would substantially lessen competition or would in any manner be in restraint of trade or would result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the savings and loan business in any part of the state of Washington, unless the director also finds that the anticompetitive effects of the proposed acquisition are clearly outweighed in the public interest by the probable effect of the acquisition in meeting the convenience and needs of the community to be served;

(2) The poor financial condition of any acquiring party might jeopardize the financial stability of the association being acquired or might prejudice the interests of the depositors, borrowers, or stockholders of the association or is not in the public interest;

(3) The plan or proposal under which the acquiring party intends to liquidate the association, to sell its assets, or to merge it with any person or company, or to make any other major change in its business or corporate structure or management, is not fair and reasonable to the association's depositors, borrowers, or stockholders or is not in the public interest; or

(4) The competence, experience and integrity of any acquiring party who would control the operation of the association indicates that approval would not be in the interest of the association's depositors, borrowers, or stockholders nor in the public interest. [1994 c 92 § 448; 1982 c 3 § 55; 1973 c 130 § 3.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.24.375 Acquisition of control of association—Application to foreign association branches.** RCW 33.24.345, 33.24.350, 33.24.360, and 33.24.370 do not apply to foreign associations doing business in this state, except when an acquiring party intends to acquire only one or more branches of a foreign association which are located in this state. [1982 c 3 § 56.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**Chapter 33.28 RCW  
FEES AND TAXES**

Sections

- 33.28.010 Filing and copy fees.
- 33.28.020 Fee for examination and supervision costs.
- 33.28.040 Taxation of associations.

**33.28.010 Filing and copy fees.** The secretary of state shall collect fees of twenty dollars in advance for filing articles of incorporation. The secretary of state shall establish by rule, fees for amendments to articles of incorporation, other

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certificates required to be filed in his or her office, and for furnishing copies of papers filed in his or her office.

Every association shall also pay to the secretary of state, for filing any instrument with him or her, the same fees as are required of general corporations for filing similar papers. [1993 c 269 § 13; 1981 c 302 § 33; 1945 c 235 § 76; Rem. Supp. 1945 § 3717-195.]

*Corporations, fees in general: Chapter 23B.01 RCW.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.28.020 Fee for examination and supervision costs.** The director shall collect from each association a fee, the amount of which shall be set by rule, to cover the actual cost of examinations and supervision. [1994 c 92 § 449; 1982 c 3 § 57; 1974 ex.s. c 22 § 1; 1969 c 107 § 6; 1961 c 222 § 4; 1945 c 235 § 77; Rem. Supp. 1945 § 3717-196. Prior: 1933 c 183 § 82; 1919 c 169 § 11; 1913 c 110 § 18.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.28.040 Taxation of associations.** The fees provided for in this title shall be in lieu of all other corporation fees, licenses, or excises for the privilege of doing business, except for business and occupation taxes imposed pursuant to chapter 82.04 RCW, and except for license fees or taxes imposed by a city or town under RCW 82.14A.010, notwithstanding any other provisions of this section.

Neither an association nor its members shall be taxed upon its deposit accounts as property, nor shall a domestic association be taxed upon its real and tangible personal property at a rate greater than any federal association doing business in this state.

An association is an institution for deposits and neither it nor its property shall be taxed under any law which shall exempt banks or other savings institutions, state or federal, from taxation.

For all purposes of taxation, the assets represented by the contingent fund, guaranty fund, and other reserves (other than reserves for expenses and specific losses) of an association shall be deemed its only permanent capital and, in computing any tax, whether property, income, or excise, appropriate adjustments shall be made to give effect to the nature of such association. [1982 c 3 § 58; 1972 ex.s. c 134 § 4; 1970 ex.s. c 101 § 1; 1945 c 235 § 79; Rem. Supp. 1945 § 3717-198. Prior: 1933 c 183 § 86; 1913 c 110 § 17; 1890 p 56 § 35, 38.]

*City or town license fees or taxes on financial institutions: Chapter 82.14A RCW.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**Chapter 33.32 RCW  
FOREIGN ASSOCIATIONS**

Sections

- 33.32.020 Examinations and reports.
- 33.32.030 Subject to state regulations and laws.
- 33.32.050 Power of attorney for service of process.
- 33.32.060 Restrictions on out-of-state savings and loan associations.
- 33.32.070 Failure to comply with title as disqualifying act.
- 33.32.080 Nonadmitted foreign associations—Powers relative to secured interests.

**33.32.020 Examinations and reports.** Unless prohibited by the laws of the state in which it is incorporated, a foreign association or like corporation authorized to do business in this state which, by the laws of the state in which it is incorporated, is required to be examined or to make reports to officers of such state, after each such examination or on the making of each such report, shall furnish to the director a copy of such examination or report, certified by the officer of the state making such examination or receiving the report. [1994 c 92 § 450; 1982 c 3 § 59; 1945 c 235 § 81; Rem. Supp. 1945 § 3717-200. Prior: 1933 c 183 § 87; 1913 c 110 § 21; 1890 p 56 §§ 14, 37.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.32.030 Subject to state regulations and laws.** Except as to those matters relating strictly to its internal management which are governed by provisions of the law of the state of its incorporation inconsistent with this title, a foreign association or like corporation authorized to transact business in this state shall conduct its business in conformance with the provisions of this title and all requirements of the director.

All agreements made by any foreign association or like corporation doing business in this state with any resident of this state shall be deemed and construed to be made within this state. [1994 c 92 § 451; 1982 c 3 § 60; 1945 c 235 § 82; Rem. Supp. 1945 § 3717-201. Prior: 1933 c 183 § 87; 1913 c 110 § 21; 1890 p 56 §§ 9, 14.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.32.050 Power of attorney for service of process.** No foreign savings and loan association or like corporation shall do business in this state until it shall file with the director a written irrevocable power of attorney providing that service upon the director of any process issued against it by any court in this state shall constitute valid service of such process upon it. Such service shall be had by serving upon the director two copies of such summons or other process, together with the sum of two dollars. The director, upon receipt of any such summons or other process, shall forthwith transmit, by registered mail, one copy thereof to the principal office of such foreign association or corporation. [1994 c 92 § 452; 1945 c 235 § 84; Rem. Supp. 1945 § 3717-203. Prior: 1933 c 183 § 87; 1890 p 56 §§ 9, 10, 12.]

**33.32.060 Restrictions on out-of-state savings and loan associations.** Subject to other provisions of this chapter, an out-of-state savings and loan association shall be permitted to establish a branch or acquire branches in this state if the out-of-state savings and loan association would be permitted to establish or acquire a branch in Washington state if it were a savings bank chartered under Title 32 RCW or a savings association chartered under this title. [2013 c 76 § 31; 1945 c 235 § 85; Rem. Supp. 1945 § 3717-204. Prior: 1933 c 183 § 88; 1890 p 56 § 13.]

**33.32.070 Failure to comply with title as disqualifying act.** Any foreign savings and loan association or like corporation doing business in this state which fails to comply with any provision of this title as required shall not thereafter transact any business within this state. [1982 c 3 § 61; 1945

c 235 § 86; Rem. Supp. 1945 § 3717-205. Prior: 1933 c 183 § 89; 1913 c 110 § 21; 1890 p 56 §§ 14, 20.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.32.080 Nonadmitted foreign associations—Powers relative to secured interests.** See chapter 23B.18 RCW.

## Chapter 33.36 RCW PROHIBITED ACTS—PENALTIES

### Sections

- 33.36.010 Illegal loans or investments.
- 33.36.020 Purchase at discount of accounts or certificates.
- 33.36.030 Preference in case of insolvency.
- 33.36.040 Falsification of books—Exhibiting false document—Making false statement of assets or liabilities.
- 33.36.050 False statement affecting financial standing.
- 33.36.060 Suppressing, secreting, or destroying evidence or records.

*Assignment for benefit of creditors: Chapter 7.08 RCW.*

*False representations: Chapter 9.38 RCW.*

**33.36.010 Illegal loans or investments.** Any director, officer, agent, or employee of an association who, on behalf of such association, shall knowingly and wilfully make or participate in making or consent to any loan or investment contrary to the provisions of this title shall be guilty of a gross misdemeanor. [1945 c 235 § 87; Rem. Supp. 1945 § 3717-206. Prior: 1933 c 183 §§ 53, 62, 102, 111; 1919 c 169 § 16; 1913 c 110 § 27.]

**33.36.020 Purchase at discount of accounts or certificates.** Any director, officer, agent, attorney, or employee of an association who, directly or indirectly, shall purchase at a discount any savings account in the association or any certificate or debenture of any segregation corporation holding assets formerly held by the association shall be guilty of a gross misdemeanor. [1945 c 235 § 88; Rem. Supp. 1945 § 3717-207. Prior: 1933 c 183 §§ 62, 101.]

**33.36.030 Preference in case of insolvency.** Every transfer of its property and assets by any association in this state, made in contemplation of insolvency, or after it becomes insolvent, with a view to the preference of one creditor or member over another, or to prevent the proper distribution of its property and assets among its creditors and members, shall be void.

Every director, officer, agent, or employee making such transfer or assisting therein is guilty of a class C felony as provided in chapter 9A.20 RCW. [1982 c 3 § 62; 1945 c 235 § 89; Rem. Supp. 1945 § 3717-208.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.36.040 Falsification of books—Exhibiting false document—Making false statement of assets or liabilities.** Every person who subscribes to or knowingly makes or causes to be made any false statement or false entry in the books of any association, or knowingly subscribes to or exhibits any false or fictitious security, document, or paper, with intent to deceive any person authorized to examine into the affairs of any association, or knowingly makes or publishes any false statement of the amount of the assets or liabil-

ities of the association, is guilty of a class C felony as provided in chapter 9A.20 RCW. [1982 c 3 § 63; 1945 c 235 § 90; Rem. Supp. 1945 § 3717-209. Prior: 1933 c 183 § 101; 1919 c 169 §§ 12, 18; 1913 c 110 § 19.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.36.050 False statement affecting financial standing.** Any person who wilfully instigates, makes, circulates, or transmits to another or others any statement which the person knows to be false concerning the financial condition or affecting the financial standing of any association doing business in this state, or who wilfully counsels, aids, procures or induces another to start, transmit, or circulate any such statement which the person knows to be false, is guilty of a gross misdemeanor. [1982 c 3 § 64; 1945 c 235 § 92; Rem. Supp. 1945 § 3717-211. Prior: 1933 c 183 § 110.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.36.060 Suppressing, secreting, or destroying evidence or records.** Any person who, for the purpose of concealing any material fact, suppresses any evidence or abstract, removes, mutilates, destroys, or secretes any book, paper or record of an association, or of the director, or of anyone connected with the association or the office of the director, is guilty of a class C felony as provided in chapter 9A.20 RCW. [1994 c 92 § 453; 1982 c 3 § 65; 1945 c 235 § 91; Rem. Supp. 1945 § 3717-210. Prior: 1933 c 183 § 106; 1919 c 169 § 19.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**Chapter 33.40 RCW**

**INSOLVENCY, LIQUIDATION, MERGER**

Sections

- 33.40.010 Voluntary liquidation, merger, etc., authorized—Procedure.
- 33.40.020 Director may take possession of domestic association on notice for delinquency.
- 33.40.030 Possession without notice.
- 33.40.040 Procedure on taking possession.
- 33.40.050 Involuntary liquidation—Procedure—Federal insurance corporation as liquidator.
- 33.40.060 Procedure to be as in receivership.
- 33.40.070 Liquidator's powers.
- 33.40.075 Investment of liquidation funds—Use of income.
- 33.40.080 Disposition of records.
- 33.40.110 Voluntary liquidation—Disposition of unclaimed dividends and records.
- 33.40.120 Removal of liquidator—Appellate review.
- 33.40.130 Payment of deposits accepted during economic emergency, preference.
- 33.40.150 Appointment of provisional officers and directors.

**33.40.010 Voluntary liquidation, merger, etc., authorized—Procedure.** Any domestic association may determine to enter upon voluntary liquidation, to transfer its assets and liabilities to another association, to merge with another association, to segregate its assets into classes, to charge off its losses in excess of its reserves.

Any such liquidation, transfer, merger, segregation, or charge-off shall be effected by the vote of a majority in amount of the members present, in person or by proxy, at any regular or special meeting of the members called for such purpose. Notice of such meeting, stating the purpose thereof, shall be given the director at least thirty days prior to the

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meeting and to the members pursuant to the provisions contained in RCW 33.20.010.

If such liquidation, transfer, merger, segregation, or charge-off be authorized by the members at the meeting, the directors of the association are authorized and shall effect such action, and the officers of the association shall execute all proper conveyances, documents, and other papers necessary or proper thereunto. [1994 c 92 § 454; 1949 c 20 § 9; 1945 c 235 § 102; Rem. Supp. 1949 § 3717-221. Prior: 1935 c 171 § 4; 1933 c 183 §§ 60, 78; 1919 c 169 § 17.]

**33.40.020 Director may take possession of domestic association on notice for delinquency.** Whenever it appears to the director that any domestic association is in an unsound condition or is conducting its business in an unsafe manner or is refusing to submit its books, papers, or concerns to lawful inspection, or that any director or officer thereof refuses to submit to examination on oath touching its concerns and affairs or that it has failed to carry out any authorized order or direction of the director, the director may give notice to the association so offending or delinquent or whose director or officer is thus offending or delinquent to correct such offense or delinquency and, if such association or such director or officer fails to correct the condition, offense, or delinquency within a reasonable time, as determined by the director, the director may take possession of the association. [1994 c 92 § 455; 1982 c 3 § 66; 1945 c 235 § 103; Rem. Supp. 1945 § 3717-222. Prior: 1933 c 183 §§ 68, 71.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.40.030 Possession without notice.** Whenever it shall appear to the director that any association is in an unsound or unsafe condition to continue business or is insolvent, the director may take possession thereof without notice. [1994 c 92 § 456; 1945 c 235 § 104; Rem. Supp. 1945 § 3717-223. Prior: 1933 c 183 §§ 68, 71.]

**33.40.040 Procedure on taking possession.** Upon the director taking possession of any domestic association, the director shall proceed to liquidate the association unless, in the director's discretion, the director shall determine to call a meeting of the members to consider either a proportionate charge-off against the deposit accounts to permit the association thereafter to continue in business, or whether the association should proceed to voluntary liquidation under the management of its board of directors. In such event, if the director approves the decision of a majority in amount of the members present and voting, the director shall order such action to be taken.

During any period of voluntary liquidation, the director may take possession of the association and its assets and complete the liquidation whenever, in the director's discretion, this seems advisable. [1994 c 92 § 457; 1982 c 3 § 67; 1945 c 235 § 105; Rem. Supp. 1945 § 3717-224. Prior: 1935 c 171 § 4; 1933 c 183 §§ 70, 72, 78; 1919 c 169 § 13; 1913 c 110 § 20.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.40.050 Involuntary liquidation—Procedure—Federal insurance corporation as liquidator.** Whenever the director determines to liquidate the affairs of a domestic

association, the director shall cause the attorney general to present to the superior court of the county in which the association has its principal place of business a written petition setting forth the date of the taking of possession, the reasons therefor, and other material facts concerning the affairs of the association and, if the court determines that the association should be liquidated, it shall appoint the director, or other responsible person as recommended by the director, as the liquidator of the association and fix and require a bond to be given by the liquidator conditioned for the faithful performance of the duties as such liquidator, but if the association has the insurance protection provided by Title IV of the National Housing Act, as now or hereafter amended, the court upon the request of the director may tender to the federal savings and loan insurance corporation the appointment as liquidator.

Upon the filing with and approval by the court of the bond, the director or other person appointed shall enter upon the duties as liquidator of the affairs of the association, and, under the direction of the court, shall administer and liquidate the assets thereof and apply the same to the payment of the expenses of liquidation and the debts of the association, and distribute the remainder to the deposit accounts proportionately.

If the court tenders the appointment as liquidator to the federal savings and loan insurance corporation, and if the insurance corporation accepts the appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a liquidator of an association, its depositors and other creditors, and be subject to all the duties of such liquidator, except insofar as such powers, privileges, or duties are in conflict with the provisions of Title IV of the National Housing Act, as now or hereafter amended. In any liquidation proceeding in which the insurance corporation is the liquidator, it may proceed to liquidate without being subject to the control of the court and without bond. [1994 c 92 § 458; 1982 c 3 § 68; 1973 c 130 § 29; 1945 c 235 § 106; Rem. Supp. 1945 § 3717-225. Prior: 1935 c 171 § 4; 1933 c 183 §§ 70, 72, 73, 74, 76, 77, 78; 1919 c 169 § 13; 1913 c 110 § 20.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.40.060 Procedure to be as in receivership.** In any such liquidation proceeding, the court, except as otherwise in this title expressly provided, shall have the powers and proceed as in receivership proceedings. [1945 c 235 § 107; Rem. Supp. 1945 § 3717-226. Prior: 1935 c 171 § 4; 1933 c 183 §§ 70, 72, 73, 75, 76, 77, 78; 1919 c 169 § 13; 1913 c 110 § 20.]

**33.40.070 Liquidator's powers.** The liquidator, upon the approval of the court, may sell, discount, or compromise debts of the association and claims against its debtors. The liquidator, with the approval of the court, may lease, operate, repair, exchange, or sell, either for cash or upon terms, the real and personal property of the association.

The liquidator, with the approval of the court, when funds are available, may pay savings members whose balances amount to not more than five dollars, the full amount of the balances.

Checks issued or payments held by the liquidator which remain undelivered for six months following the final liqui-

dation dividend shall be deposited with the director, after which the liquidator shall be discharged by the court. During ten years thereafter, the director shall deliver the checks or payments, or the director's own checks in lieu thereof, to the payee, or his or her legal representative, upon receipt of satisfactory evidence of the payee's right thereto. After the ten years, the director shall cancel all such checks or payments remaining in the director's possession and issue a check against the account for the amount thereof, payable to the state treasurer, and deliver it to the state treasurer. Such payment shall escheat to the state, without further legal proceedings. [1994 c 92 § 459; 1982 c 3 § 69; 1953 c 71 § 10; 1945 c 235 § 108; Rem. Supp. 1945 § 3717-227. Prior: 1935 c 171 § 4; 1933 c 183 §§ 70, 73, 74, 78.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.40.075 Investment of liquidation funds—Use of income.** All funds received by the director from liquidations may be invested by the director. The earnings from the moneys so held may be applied toward defraying the expenses incurred in the liquidations. [1994 c 92 § 460; 1982 c 3 § 70; 1951 c 105 § 1.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.40.080 Disposition of records.** Upon the termination of any liquidation proceeding, any files, records, documents, books of account, or other papers in the possession of the liquidator shall be surrendered into the possession of the director, who, in his or her discretion at any time after the expiration of one year, may destroy any of such files, records, documents, books of account or other papers which appear to him or her to be obsolete or unnecessary for future reference. [1994 c 92 § 461; 1945 c 235 § 109; Rem. Supp. 1945 § 3717-228.]

**33.40.110 Voluntary liquidation—Disposition of unclaimed dividends and records.** In a voluntary liquidation of a domestic association, checks issued in the liquidation or funds representing liquidating dividends or otherwise which remain undelivered for six months following the final liquidating dividend, shall be deposited with the director, together with any files, records, documents, books of account, or other papers of the association. The director, at any time after one year from delivery, may destroy any of such files, records, documents, books of account, or other papers which appear to the director to be obsolete or unnecessary for future reference. During ten years thereafter, the director shall deliver such checks, or the director's own checks in lieu thereof, or portions of such funds to the payee, or the payee's legal representative, upon receipt of satisfactory evidence of the payee's right thereto. After the ten years, the director shall cancel all such checks remaining in the director's possession and issue a check payable to the state treasurer for the amount thereof together with any other liquidating funds, and deliver them to the state treasurer. Such payment shall escheat to the state without further legal proceedings. [1994 c 92 § 462; 1982 c 3 § 71; 1953 c 71 § 11; 1945 c 235 § 112; Rem. Supp. 1945 § 3717-231.]

*Uniform unclaimed property act: Chapter 63.29 RCW.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.40.120 Removal of liquidator—Appellate review.**

The court, upon notice and hearing, may remove the liquidator for cause. Appellate review of the order of removal may be sought as in other civil cases.

During the pendency of any appeal, the director of financial institutions shall act as liquidator of the association, without giving any additional bond for the performance of the duties as such liquidator.

If such order of removal shall be affirmed, the director of financial institutions shall name another liquidator for the association, which nominee, upon qualifying as required for receivers generally, shall succeed to the position of liquidator of the association. [1994 c 92 § 463; 1988 c 202 § 34; 1982 c 3 § 72; 1971 c 81 § 86; 1945 c 235 § 113; Rem. Supp. 1945 § 3717-232.]

**Rules of court:** *Appeal procedures superseded by RAP 2.1, 2.2, 18.22.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.40.130 Payment of deposits accepted during economic emergency, preference.** Savings deposits received by an association, during a period or periods of postponement of payment of withdrawals or of acute business depression, panic or economic emergency under authorization or declaration of the director as hereinbefore provided, shall be repaid to the depositors paying in such savings before any liquidation dividends shall be declared or paid if, during such period or periods or at the expiration thereof, the director takes charge of the association for liquidation, as provided in this title. [1994 c 92 § 464; 1982 c 3 § 73; 1945 c 235 § 100; Rem. Supp. 1945 § 3717-219.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.40.150 Appointment of provisional officers and directors.** (1) The director of financial institutions, after exercising the authority granted in RCW 33.16.040, may appoint provisional officers and directors, in whole or in part, of an association.

(2) Notice of the appointment shall be served upon the association, and the appointment shall take effect immediately and shall remain in effect until a successor is chosen in accordance with the association's bylaws. [1994 c 92 § 465; 1985 c 239 § 2.]

**Chapter 33.43 RCW**

**CONVERSION TO AND FROM FEDERAL ASSOCIATION**

Sections

- 33.43.010 Conversion of domestic association to federal association.
- 33.43.020 Federal association—Powers.
- 33.43.030 Conversion of federal association to domestic association.

**33.43.010 Conversion of domestic association to federal association.** Any domestic association may convert itself into a federal mutual or stock savings and loan association. Any such conversion shall be effected by the vote of a majority in amount of the members present, in person or by proxy, at any regular or special meeting of the members called for such purpose. Notice of such meeting, stating the purpose thereof, shall be given the director at least thirty days

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prior to the meeting and to the members pursuant to the provisions contained in RCW 33.20.010.

If such conversion be authorized by the members at the meeting, the directors of the association are authorized and shall effect such action, and the officers of the association shall execute all proper conveyances, documents, and other papers necessary or proper thereunto.

If conversion be authorized, a copy of the minutes of the meeting shall be filed forthwith with the director.

Upon consummation of such conversion, the successor federal savings and loan association shall succeed to all right, title, and interest of the domestic association in and to its assets, and to its liabilities to the creditors and members of the association. Upon such conversion, after the execution and delivery of all instruments of transfer, conveyance and assignment, the domestic association shall be deemed dissolved. [1994 c 92 § 466; 1982 c 3 § 74; 1949 c 20 § 10; 1945 c 235 § 116; Rem. Supp. 1949 § 3717-235. Prior: 1933 ex.s. c 15 §§ 1 through 6. Formerly RCW 33.44.100.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.43.020 Federal association—Powers.** Every federal savings and loan association, the home office of which is located in this state, and the savings accounts therein shall have all the rights, powers and privileges and be entitled to the same immunities and exemptions as pertain to savings and loan associations organized under the laws of this state. [1945 c 235 § 117; Rem. Supp. 1945 § 3717-236. Prior: 1939 c 98 § 9; 1933 c 183 § 50. Formerly RCW 33.44.110.]

**33.43.030 Conversion of federal association to domestic association.** Any federal savings and loan association the home office of which is located in this state may convert itself into a domestic savings and loan association of this state. For any such conversion, such federal association shall proceed as provided in this title for the conversion of a domestic association into a federal association.

Upon consummation of such conversion, the successor domestic association shall succeed to all right, title, and interest of the federal association in and to its assets, and to its liabilities to the creditors and members of such federal association. [1945 c 235 § 118; Rem. Supp. 1945 § 3717-237. Prior: 1939 c 98 § 1. Formerly RCW 33.44.120.]

**Chapter 33.44 RCW**

**CONVERSION TO MUTUAL SAVINGS BANK**

Sections

- 33.44.020 Conversion to a savings bank or commercial bank—Procedure.
- 33.44.080 Depositor's interest upon conversion.
- 33.44.090 Transfer of securities upon conversion.
- 33.44.125 Waiver of chapter requirements.
- 33.44.130 Rules implementing chapter—Standard.

**33.44.020 Conversion to a savings bank or commercial bank—Procedure.** Any association organized under the laws of this state, or under the laws of the United States, may, if it has obtained the approval, required by law or regulation, of any federal agencies, including the federal home loan bank board and the federal savings and loan insurance

corporation, be converted into a savings bank or commercial bank in the following manner:

(1) The board of directors of such association shall pass a resolution declaring its intention to convert the association into a savings bank or commercial bank and shall apply to the director of financial institutions for leave to submit to the members of the association the question whether the association shall be converted into a savings bank or a commercial bank. A duplicate of the application to the director of financial institutions shall be filed with the director of financial institutions, except that no such filing shall be required in the case of an association organized under the laws of the United States. The application shall include a proposal which sets forth the method by and extent to which membership or stockholder interests, as the case may be, in the association are to be converted into membership or stockholder interests, as the case may be, in the savings bank or commercial bank, and the proposal shall allow for any member or stockholder to withdraw the value of his or her interest at any time within sixty days of the completion of the conversion. The proposal shall be subject to the approval of the director of financial institutions and shall conform to all applicable regulations of the federal home loan bank board, the federal savings and loan insurance corporation, the federal deposit insurance corporation, or other federal regulatory agency.

(2) Thereupon the director of financial institutions shall make the same investigation and determine the same questions as would be required by law to make and determine in case of the submission to the director of financial institutions of a certificate of incorporation of a proposed new savings bank or commercial bank, and the director of financial institutions shall also determine whether by the proposed conversion the business needs and conveniences of the members of the association would be served with facility and safety, except that no such conference shall be pertinent to such investigation or determination in the case of an association organized under the laws of the United States. After the director of financial institutions determines whether it is expedient and desirable to permit the proposed conversion, the director of financial institutions shall, within sixty days after the filing of the application, endorse thereon over the official signature of the director of financial institutions the word "granted" or the word "refused", with the date of such endorsement and shall immediately notify the secretary of such association of his or her decision. If an application to convert to a mutual savings bank is granted, the director of financial institutions shall require the applicants to enter into such an agreement or undertaking with the director of financial institutions as trustee for the depositors with the mutual savings bank to make such contributions in cash to the expense fund of the mutual savings bank as in the director of financial institutions judgment will be necessary then and from time to time thereafter to pay the operating expenses of the mutual savings bank if its earnings should not be sufficient to pay the same in addition to the payment of such dividends as may be declared and credited to depositors from its earnings.

If the application is denied by the director of financial institutions, the association, acting by a two-thirds majority of its board of directors, may, within thirty days after receiv-

ing the notice of the denial, appeal to the superior court in the manner prescribed in chapter 34.05 RCW.

(3) If the application is granted by the director of financial institutions or by the court, as the case may be, the board of directors of the association shall, within sixty days thereafter, submit the question of the proposed conversion to the members of the association at a special meeting called for that purpose. Notice of the meeting shall state the time, place and purpose of the meeting, and that the only question to be voted upon will be, "shall the (naming the association) be converted into a savings bank or commercial bank under the laws of the state of Washington?" The vote on the question shall be by ballot. Any member may vote by proxy or may transmit the member's ballot by mail if the bylaws provide a method for so doing. If two-thirds or more in number of the members voting on the question vote affirmatively, then the board of directors shall have power, and it shall be its duty, to proceed to convert such association into a savings bank or commercial bank; otherwise, the proposed conversion shall be abandoned and shall not be again submitted to the members within three years from the date of the meeting.

(4) If authority for the proposed conversion has been approved by the members as required by this section, the directors shall, within thirty days thereafter, subscribe and acknowledge and file with the director of financial institutions in triplicate a certificate of reincorporation, stating:

(a) The name by which the converted corporation is to be known.

(b) The place where the bank is to be located and its business transacted, naming the city or town and county, which city or town shall be the same as that where the principal place of business of the corporation has theretofore been located.

(c) The name, occupation, residence and post office address of each signer of the certificate.

(d) The amount of the assets of the corporation, the amount of its liabilities and the amount of its contingent, reserve, expense, and guaranty fund, as applicable, as of the first day of the then calendar month.

(e) A declaration that each signer will accept the responsibilities and faithfully discharge the duties of a trustee or director of the bank, and is free from all the disqualifications specified in the laws applicable to savings banks or commercial banks.

(f) Such other items as the director of financial institutions may require.

(5) Upon the filing of the certificate in triplicate, the director of financial institutions shall, within thirty days thereafter, if satisfied that all the provisions of this chapter have been complied with, issue in triplicate an authorization certificate stating that the corporation has complied with all the requirements of law, and that it has authority to transact at the place designated in its certificate of incorporation the business of a savings bank or commercial bank. One of the director of financial institutions certificates of authorization shall be attached to each of the certificates of reincorporation, and one set of these shall be filed and retained by the director of financial institutions, one set shall be filed in the office of the secretary of state, and one set shall be transmitted to the bank for its files. Upon the receipt from the corporation of the same fees as are required for filing and recording other incor-

poration certificates or articles, the secretary of state shall file the certificates and record the same; whereupon the conversion of the association shall be deemed complete, and the signers of said reincorporation certificate and their successors shall thereupon become and be a corporation having the powers and being subject to the duties and obligations prescribed by the laws of this state applicable to savings banks or commercial banks, as the case may be. The time of existence of the corporation shall be perpetual unless provided otherwise in the articles of incorporation of the association or unless sooner terminated pursuant to law. [1997 c 101 § 6; 1994 c 92 § 467; 1982 c 3 § 75; 1981 c 302 § 34; 1979 ex.s. c 57 § 7; 1975 1st ex.s. c 111 § 1; 1927 c 177 § 1; 1917 c 154 § 1; RRS §§ 3749 through 3754. Formerly RCW 33.44.020 through 33.44.070.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

### 33.44.080 Depositor's interest upon conversion.

Upon the conversion of any association into a savings bank or commercial bank, every person who was a depositor of the association at the time of the conversion shall become and be deemed to be a depositor of the bank in a sum equal to the value of the deposit of the depositor as of the day on which the conversion was consummated. [1982 c 3 § 76; 1927 c 177 § 2; 1917 c 154 § 2; RRS § 3755.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.44.090 Transfer of securities upon conversion.** All mortgages, notes and other securities of any association that has been converted into a savings bank or commercial bank, shall on request of the bank, be delivered to it by the director of financial institutions or under the director's direction by any depository having possession thereof. Every such bank shall, as soon as practicable and within such time and by such methods as the director may direct, cause its organization, its securities and investments, the character of its business and its methods of transacting the same to conform to the laws applicable to savings banks or commercial banks, as applicable. [1994 c 92 § 468; 1982 c 3 § 77; 1927 c 177 § 3; 1917 c 154 § 3; RRS § 3756.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.44.125 Waiver of chapter requirements.** If, in the opinion of the director of financial institutions, it is necessary for any of the requirements of this chapter to be waived in order to permit an association which is in danger of failing to convert its charter to that of a commercial bank or a savings bank so that the association may be acquired by a commercial bank or a savings bank or a bank holding company, then the director may waive any such requirement. [1994 c 92 § 469; 1982 c 3 § 78.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

### 33.44.130 Rules implementing chapter—Standard.

The director of financial institutions shall adopt such rules under the administrative procedure act, chapter 34.05 RCW, as are necessary to implement this chapter in a manner which protects the relative interests of members, depositors, borrowers, stockholders, and creditors. [1994 c 92 § 470; 1982 c 3 § 79.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

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## Chapter 33.46 RCW CONVERSION OF SAVINGS BANK OR COMMERCIAL BANK TO ASSOCIATION

### Sections

33.46.010	Definitions.
33.46.020	Conversion of bank to association—Procedure.
33.46.030	Cash contributions to expense fund if becoming domestic mutual association.
33.46.040	Appeal from denial of application.
33.46.050	Certificate of reincorporation—Required—Filing—Contents.
33.46.060	Issuance of authorization certificate—Filing—Completion of conversion—Effect.
33.46.070	Depositor's interest upon conversion.
33.46.080	Transfer of securities—Conformance to state association laws, when.
33.46.090	Assets, liabilities, etc., vested in association upon conversion.
33.46.100	Initial meeting of shareholders of domestic association—Notice—Proxy voting.
33.46.110	Conversion to federal association—Procedure.
33.46.130	Rules implementing chapter—Standard.

**33.46.010 Definitions.** As used in this chapter, unless the context indicates otherwise:

- (1) "Association" means any association organized under the laws of this state or the laws of the United States of America;
- (2) "Director" means a member of the board of directors of an association, savings bank, or commercial bank, as applicable;
- (3) "Bank" means a savings bank or commercial bank organized under the laws of this state; and
- (4) "Trustee" means a member of the managing board of a mutual savings bank. [1982 c 3 § 80; 1975 1st ex.s. c 83 § 1.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.020 Conversion of bank to association—Procedure.** Any bank may be converted into an association in the following manner:

(1) The trustees or directors of the bank shall pass, by at least a two-thirds favorable vote of all trustees or directors, a resolution declaring its intention to convert the bank into an association, specifying in such resolution the type of association and whether the association is to be organized under the laws of this state, or is to be organized under the laws of the United States of America. If the association is to be a state association the bank shall apply to the director of financial institutions for authority to convert into an association. The application shall include a proposal which sets forth the method by and extent to which membership or stockholder interests, as the case may be, in the bank are to be converted into membership or shareholder interest, as the case may be, in the association, and the proposal shall allow for any member or stockholder to withdraw the value of his or her interest at any time within sixty days of the completion of the conversion. The proposal is subject to the approval of the director of financial institutions and shall conform to all applicable regulations of the federal deposit insurance corporation, the federal home loan bank board, the federal savings and loan insurance corporation, or other federal regulatory agency.

(2) The director of financial institutions shall, in the case of an application to convert into a state association, make the same investigation and determine the same questions as he or she would be required by law to make in determining the case of submission to him or her of articles of incorporation of a

proposed new state association, and shall also determine whether the proposed conversion would serve the needs and conveniences of the depositors of the bank.

(3) The director of financial institutions shall grant or deny the application within sixty days of its date of filing and shall immediately notify the secretary of the bank of the decision. [1994 c 92 § 471; 1982 c 3 § 81; 1975 1st ex.s. c 83 § 2.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.030 Cash contributions to expense fund if becoming domestic mutual association.** If the application to become a domestic mutual association is granted, the director of financial institutions shall require the applicant to enter into an agreement or undertaking with the director, as trustee for the members of the association, to make such cash contributions to an expense fund of the mutual association as in the director's judgment will be necessary then and from time to time thereafter to pay the operating expenses of the association if its earnings should not be sufficient to pay the same in addition to the payment of such dividends as may be declared and credited to members from its earnings. [1994 c 92 § 472; 1982 c 3 § 82; 1975 1st ex.s. c 83 § 3.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.040 Appeal from denial of application.** If the application is denied by the director of financial institutions, the bank, acting by a two-thirds majority of its trustees or directors, may, within thirty days after receiving notice of such denial, appeal to the superior court of Thurston county pursuant to the provisions of the administrative procedure act, chapter 34.05 RCW. [1994 c 92 § 473; 1982 c 3 § 83; 1975 1st ex.s. c 83 § 4.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.050 Certificate of reincorporation—Required—Filing—Contents.** If the application is granted by the director of financial institutions, or by the court, the trustees or directors of the bank shall, within thirty days thereafter, subscribe, acknowledge, and file with the director of financial institutions, in triplicate, a certificate of reincorporation stating:

- (1) The name by which the association is to be known;
- (2) The place where the association is to be located and its business transacted, naming the city or town and the county, which city or town shall be the same as that where the principal place of business of the bank has theretofore been located;
- (3) The name, occupation, residence, and post office address of each signer of the certificate;
- (4) The amount of the assets of the association, the amount of its liabilities, and the amount of its contingent, expense, or guaranty fund, as applicable, as of the first day of the calendar month during which the certificate is filed; and
- (5) A declaration that each signer will accept the responsibilities and faithfully discharge the duties of a director of the association, and is free from all the disqualifications specified in the laws applicable to savings and loan associations. [1994 c 92 § 474; 1982 c 3 § 84; 1981 c 302 § 35; 1975 1st ex.s. c 83 § 5.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.060 Issuance of authorization certificate—Filing—Completion of conversion—Effect.** Upon filing the certificate in triplicate as provided in RCW 33.46.050, the director of financial institutions shall, within thirty days thereafter, if satisfied that all the provisions of this chapter have been complied with, issue in triplicate an authorization certificate stating that the association has complied with all of the requirements of law, and that it has authority to transact, at the place or places designated in its certificate, the business of an association. The director of financial institutions shall retain one set of the triplicate originals of the certificate of reincorporation and of the certificate of authorization and shall transmit the other two sets to the association, which shall retain one set, and file one set with the secretary of state, paying the required fees. Upon such filings being made, the conversion of the bank to the association shall be deemed complete and consummated, and the association shall thereupon be a corporation having the powers and being subject to the duties and obligations prescribed by the laws of this state applicable to state associations, and the time of existence of such association shall be perpetual, unless sooner terminated. [1994 c 92 § 475; 1982 c 3 § 85; 1981 c 302 § 36; 1975 1st ex.s. c 83 § 6.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.070 Depositor's interest upon conversion.** Upon the conversion of a bank into an association, every person who was a depositor of the bank at the time of the conversion shall become and be deemed to be a depositor of the association in a sum equal to the value of the deposits of the depositor in the bank as of the day on which the conversion was consummated. [1982 c 3 § 86; 1975 1st ex.s. c 83 § 7.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.080 Transfer of securities—Conformance to state association laws, when.** All mortgages, notes, and other securities of any bank that has been converted into an association shall, on request of the association, be delivered to it by the director of financial institutions or, under the direction of the director, by any depository having possession thereof. If the association is a state association it shall, as soon as practicable and within such time and by such methods as the director may direct, cause its organization, its securities and investments, the character of its business, and its methods of transacting the same to conform to the laws applicable to state associations. [1994 c 92 § 476; 1982 c 3 § 87; 1975 1st ex.s. c 83 § 8.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.090 Assets, liabilities, etc., vested in association upon conversion.** Upon a conversion being consummated all assets, rights and properties of the bank shall vest in and be the property of the association and all liabilities, debts, and obligations of the bank shall be the liabilities, debts, and obligations of the association and any right can be enforced by or against the association the same as it could have been enforced by or against the bank if the conversion had not occurred. [1975 1st ex.s. c 83 § 9.]



**33.46.100 Initial meeting of shareholders of domestic association—Notice—Proxy voting.** Within twelve months following consummation of the conversion, the directors of a domestic association shall call a meeting of the members for the purpose of electing directors and conducting such other business of the association as is appropriate. Notice of such meeting shall be mailed not less than ten nor more than thirty days in advance of the meeting to the last known address of each member. The notice may also include a proxy form authorizing any one or more persons, who may be directors or officers of the association, selected by the directors, to vote on behalf of any member executing such proxy. [1982 c 3 § 88; 1975 1st ex.s. c 83 § 10.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.110 Conversion to federal association—Procedure.** If the bank specifies in the resolution that it intends to become a federal association, it shall proceed to make all filings and do all things which are required by federal laws and regulations to qualify as and become a federal association, and when all such things have been accomplished and a charter has been issued by the appropriate federal agency, the bank shall thereupon cease to be a bank organized under the laws of this state. [1982 c 3 § 89; 1975 1st ex.s. c 83 § 11.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.46.130 Rules implementing chapter—Standard.** The director of financial institutions shall adopt such rules under the administrative procedure act, chapter 34.05 RCW, as are necessary to implement this chapter in a manner which protects the relative interests of members, depositors, borrowers, stockholders, and creditors. [1994 c 92 § 477; 1982 c 3 § 90.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**Chapter 33.48 RCW  
STOCK ASSOCIATIONS**

Sections

- 33.48.025 Applicability of chapter 23B.06 RCW.
- 33.48.030 Minimum amount of permanent stock required—Preferred or special classes of shares authorized.
- 33.48.040 Stock dividends, when.
- 33.48.080 Member's proprietary interest—Subordinate to claims of creditors.
- 33.48.090 Dividends only if interest paid on deposits.
- 33.48.100 Conversion procedure—Domestic stock to domestic mutual association.
- 33.48.110 Conversion procedure—Mutual association to domestic stock association—Rules implementing section—Standard.
- 33.48.120 Conversion procedure—Creation of permanent loss reserve—Disposition of reserve upon liquidation.
- 33.48.130 Withdrawal of charter amendment or conversion application.
- 33.48.140 Legislative intent—Chapter to control over conflicting provisions.
- 33.48.150 Organizing permit—Required.
- 33.48.160 Organizing permit—Application.
- 33.48.170 Organizing permit—Conditions.
- 33.48.180 Permit authorizing sale of stock—Applicability.
- 33.48.190 Permit authorizing sale of guaranty stock—Required prior to sale of issued or outstanding stock.
- 33.48.200 Permit authorizing sale of stock—Application—Contents.
- 33.48.210 Permit authorizing sale of stock—Examination and investigation—Issuance or denial.
- 33.48.220 Recitation in permit to take subscriptions for stock.
- 33.48.230 Sales of stock—Imposition of conditions.
- 33.48.240 Organizing permit—Amendment, alteration, suspension, or revocation by director—Grounds.
- 33.48.250 Purchase by association of stock issued by it—Conditions.

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- 33.48.260 Reduction of stock—Conditions.
- 33.48.270 Reduction of stock—Disposition of surplus.
- 33.48.280 Paid-in or contributed surplus or surplus created by reduction of stock—Application and uses.
- 33.48.290 RCW 33.48.150 through 33.48.280 inapplicable to foreign associations.
- 33.48.320 Waiver of chapter requirements.

**33.48.025 Applicability of chapter 23B.06 RCW.** Except to the extent provided otherwise in this title, stock associations are subject to the provisions of chapter 23B.06 RCW. [1991 c 72 § 51; 1982 c 3 § 91; 1981 c 84 § 4.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.030 Minimum amount of permanent stock required—Preferred or special classes of shares authorized.** Stock associations shall have permanent stock which may be issued with or without par value but with a statement of value of nonpar stock in accordance with Title 23B RCW. The minimum amount of such stock shall be twenty-five thousand dollars in the case of associations outside of incorporated cities, or in cities of less than twenty-five thousand population. Associations located in cities of greater population shall have as a minimum, fifty thousand dollars of such stock. The board of such association is authorized and directed to issue and maintain the stock in the following percentages: Three percent upon the first five million dollars; two percent upon the next three million dollars, and one percent upon all additional withdrawable savings: PROVIDED, That associations whose savings are insured by the Federal Savings and Loan Insurance Corporation shall not be required to maintain stock in excess of three hundred thousand dollars. A stock association may issue preferred or special classes of shares as provided in chapter 23B.06 RCW. [1991 c 72 § 52; 1982 c 3 § 92; 1981 c 84 § 1; 1969 c 107 § 7; 1963 c 246 § 9; 1955 c 122 § 4.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.040 Stock dividends, when.** No dividends shall be declared on stock until the association has met the net worth and federal insurance requirements of the federal savings and loan insurance corporation. Subject to the provisions of this chapter, 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. [1982 c 3 § 93; 1981 c 84 § 2; 1979 c 113 § 14; 1955 c 122 § 5.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.080 Member's proprietary interest—Subordinate to claims of creditors.** Each member in a stock association shall have a proportionate proprietary interest in its assets and net earnings subordinate to the claims of its creditors with priorities as established by this chapter. [1982 c 3 § 94; 1969 c 107 § 8; 1967 c 49 § 6; 1955 c 122 § 9.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.090 Dividends only if interest paid on deposits.** No dividend shall be paid or credited upon shares of stock for any period in which the association has not declared and paid interest on deposits eligible to receive interest. [1982 c 3 § 95; 1955 c 122 § 10.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.100 Conversion procedure—Domestic stock to domestic mutual association.** A domestic stock association may convert to a domestic mutual association under the provisions of applicable statutes and regulations of proper federal and state supervisory authorities. In the event of compliance with such statutes and regulations an appraisal of the stock shall be made by the director, upon written request of the directors of the association, and the appropriate value of the stock may be given consideration in the proceedings to convert by giving credit to such stock from surplus and other reserves. [1994 c 92 § 478; 1982 c 3 § 96; 1955 c 122 § 11.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.110 Conversion procedure—Mutual association to domestic stock association—Rules implementing section—Standard.** Any mutual association, either domestic or federal, operating in the state of Washington may convert itself into a domestic stock association. The conversion shall be effected by the vote of two-thirds of the members present and voting in person or by proxy at any regular or special meeting of the members called for such purpose. Notice of such meeting, stating the purpose thereof, shall be given to the director and to each member by mailing notice to the member's last known address at least thirty days prior to the meeting.

At the meeting, the members may adopt a resolution amending its articles of incorporation and bylaws to provide for operation under this chapter as a stock association.

Upon adoption of the resolution, members shall be given notice of the proposed change and shall be offered, for a period of sixty days following the date of the meeting, the right to subscribe for the proposed stock, pro rata to their deposits in such mutual association, and such right shall be transferable. In the event that the total stock required has not, at the end of the sixty day period, been fully subscribed, the unsubscribed portion shall be offered to any former subscribers for such stock.

When the stock has been fully subscribed and paid for, certified copies of the documents relating to the conversion shall be submitted to the director for his or her approval of the conversion proceedings. Upon notification by the director that the director approves the conversion, the directors shall adopt a resolution declaring the association to be a stock association and thereafter it shall be such.

The director shall adopt such rules under chapter 34.05 RCW, the administrative procedure act, as are necessary to implement this section in a manner which protects the relative interests of members, depositors, borrowers, stockholders, and creditors. [1994 c 92 § 479; 1982 c 3 § 97; 1955 c 122 § 12.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.120 Conversion procedure—Creation of permanent loss reserve—Disposition of reserve upon liquidation.** The accumulated surplus and unallocated reserves of an association at the time of conversion to a stock association shall be designated as a permanent loss reserve against which any losses incurred on assets may be charged. In case of liquidation the remaining sum in said permanent loss reserve shall be distributed to the depositors in proportion to the withdrawable value of their deposit accounts at the time of liqui-

ation. In liquidation, after payment of all liabilities and the withdrawable value of all types and classes of deposit accounts together with the remainder in the permanent loss reserve heretofore mentioned, any excess shall be paid pro rata to the stockholders. [1982 c 3 § 98; 1955 c 122 § 13.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.130 Withdrawal of charter amendment or conversion application.** The directors of an association which has voted to amend its charter or convert to another type of institution, may withdraw the application at any time prior to the issuance of the amended charter, by adopting a proper resolution and forwarding a copy to the director. [1994 c 92 § 480; 1955 c 122 § 14.]

**33.48.140 Legislative intent—Chapter to control over conflicting provisions.** It is the intention of the legislature to grant, by this chapter, authority to create stock associations in this state, by either organization or conversion under its provisions, and in the event of conflict between the provisions of this chapter and other provisions of Title 33 RCW, such other provisions shall be construed in favor of the accomplishment of the purposes of this chapter. [1982 c 3 § 99; 1955 c 122 § 15.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.150 Organizing permit—Required.** No subscriptions or funds from proposed stockholders of any proposed association, prior to its incorporation and prior to a decision by the director on its application for approval of its articles of incorporation, may be solicited or taken until a verified application for an organizing permit has been filed and a permit has been issued by the director authorizing such subscription or collection of funds and then, only in accordance with the terms of such permit. [1994 c 92 § 481; 1973 c 130 § 6.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.160 Organizing permit—Application.** The application for an organizing permit under RCW 33.48.150 shall be in writing, verified as provided by law for the verification of pleadings and shall be filed in the office of the director. Such application shall be signed by the proposed incorporators and shall include the following:

- (1) The names and addresses of its proposed directors, officers and incorporators, to the extent known;
- (2) The proposed location of its office;
- (3) A copy of any contract proposed to be used for the solicitation of stock subscriptions and funds for its preincorporation expenses;
- (4) A copy of any advertisement, circular, or other written matter proposed to be used for soliciting stock subscriptions and funds for its preincorporation expenses;
- (5) A statement of the total funds proposed to be solicited and collected prior to incorporation and an itemized estimate of the preincorporation expenses proposed to be paid;
- (6) A list of the names and addresses and amounts of each of the known proposed stockholders and contributors to the fund for preincorporation expenses; and
- (7) Such additional information as the director may require. [1994 c 92 § 482; 1973 c 130 § 7.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.170 Organizing permit—Conditions.** The director may impose conditions in the director's organizing permit issued under RCW 33.48.150 concerning the deposit in escrow of funds collected pursuant to said permit, the manner of expenditure of such funds and such other conditions as he or she deems reasonable and necessary or advisable for the protection of the public and the subscribers to such stock or funds for preincorporation expenses. [1994 c 92 § 483; 1982 c 3 § 100; 1973 c 130 § 8.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.180 Permit authorizing sale of stock—Applicability.** No association shall sell, take subscriptions for, or issue any stock until the association applies for and secures from the director a permit authorizing it to sell stock.

This section does not apply to an offering involving less than five hundred thousand dollars nor to an offering made under a registration statement filed under the federal securities act of 1933 (48 Stat. 74; 15 U.S.C. Sec. 77a). [1994 c 92 § 484; 1982 c 3 § 101; 1973 c 130 § 5.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.190 Permit authorizing sale of guaranty stock—Required prior to sale of issued or outstanding stock.** No issued and outstanding stock of an association shall be sold or offered for sale to the public, nor shall subscriptions be solicited or taken for such sales until the association or the selling stockholders have applied for and secured from the director a permit authorizing the sale of the guaranty stock.

This section shall not apply to an offering involving less than ten percent of the issued and outstanding guaranty stock of an association and less than five hundred thousand dollars nor to an offering made under a registration statement filed under the Securities Act of 1933 (48 Stat. 74; 15 U.S.C. Sec. 77a). [1994 c 92 § 485; 1973 c 130 § 9.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.200 Permit authorizing sale of stock—Application—Contents.** An application for a permit to sell stock shall be in writing and shall be filed in the office of the director by the association.

The application shall include the following:

- (1) Regarding the association:
  - (a) The names and addresses of its officers;
  - (b) The location of its office;
  - (c) An itemized account of its financial condition within ninety days of the filing date; and
  - (d) A copy of all minutes of any proceedings of its directors, shareholders, or stockholders relating to or affecting the issue of such stock;
- (2) Regarding the offering:
  - (a) The names and addresses of the selling stockholders and of the officers of any selling corporation and the partners of any selling partnership;
  - (b) A copy of any contract concerning the sale of the stock;
  - (c) A copy of a prospectus or advertisement or other description of the stock prepared for distribution or publica-

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tion in accordance with requirements prescribed by the director;

(d) A brief description of the method by which the stock is to be offered for sale including the offering price and the underwriting commissions and expense, if any; and

(3) Such additional information as the director may require. [1994 c 92 § 486; 1982 c 3 § 102; 1973 c 130 § 10.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.210 Permit authorizing sale of stock—Examination and investigation—Issuance or denial.** Upon the filing of the application for a permit to sell stock, the director shall examine the application and other papers and documents filed therewith and he or she may make a detailed examination, audit, and investigation of the association and its affairs. If the director finds that the proposed plan for the issue and sale of such stock is fair, just and equitable, the director shall issue to the applicant a permit authorizing it to issue and dispose of its stock in such amounts and for such considerations and upon such terms and conditions as the director may provide in the permit. If the director does not so find he or she shall deny the application and notify the applicant in writing of his or her decision. [1994 c 92 § 487; 1982 c 3 § 103; 1973 c 130 § 11.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.220 Recitation in permit to take subscriptions for stock.** Every permit to take subscriptions for stock shall recite in bold face type that the issuance thereof is permissive only and does not constitute a recommendation or endorsement of the stock permitted to be issued. [1982 c 3 § 104; 1973 c 130 § 12.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.230 Sales of stock—Imposition of conditions.** With respect to sales of stock by an association, the director may impose conditions requiring the impoundment of the proceeds from the sale of stock, limiting the expense in connection with the sale of such stock, and other conditions as he or she deems reasonable and necessary or advisable to insure the disposition of the proceeds from the sale of such stock in the manner and for the purposes provided in the permit. [1994 c 92 § 488; 1982 c 3 § 105; 1973 c 130 § 13.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.240 Organizing permit—Amendment, alteration, suspension, or revocation by director—Grounds.** The director may amend, alter, suspend, or revoke any permit issued under RCW 33.48.150 if there is a violation of the terms and conditions of the permit or if the director determines that the subscription or proposed issue and sale is no longer fair, just, and equitable. [1994 c 92 § 489; 1982 c 3 § 106; 1973 c 130 § 14.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.250 Purchase by association of stock issued by it—Conditions.** An association may purchase stock issued by it in an amount not to exceed the amount of earned surplus or undivided profits available for dividends on its stock if: The stock so purchased is included for federal estate tax purposes in determining the gross estate of a decedent, and the

amount paid for such purchase is entitled to be treated under section 303 of the Internal Revenue Code of 1954 (68A Stat. 3; 26 U.S.C. Sec. 1), or other applicable federal statute or the corresponding provision of any future federal revenue law, as a distribution in full payment in exchange for the stock so purchased, or such purchase is with the prior consent of the director, or such purchase is pursuant to a put option contained in a plan which has been approved by the director establishing an employee stock ownership plan for the association and its employees pursuant to the provisions of the act of congress entitled "Employee Retirement Income Security Act of 1974", as now constituted or hereafter amended, or Section 409 of the Internal Revenue Code of 1954, as now constituted or hereafter amended. Stock so purchased until sold shall be carried as treasury stock. Upon the purchase of any stock issued by the association, an amount equal to the purchase price shall be set aside from earned surplus or undivided profits available for dividends to a specific reserve account established for this purpose. Upon sale of any of such stock, the amount relating thereto in the specific reserve account shall be returned to the surplus or undivided profits account (as the case may be) and shall be available for dividends. Reacquired stock shall not be resold at less than its reacquisition cost, without the specific approval of the director, and shall not be resold or reissued except in accordance with RCW 33.48.220 through 33.48.240. [1994 c 92 § 490; 1985 c 239 § 3; 1982 c 3 § 107; 1973 c 130 § 15.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.260 Reduction of stock—Conditions.** With the prior consent of the director, the stock of an association may be reduced by resolution of the board of directors approved by the vote or written consent of the holders of a majority in amount of the outstanding stock of the association to such amount as the director approves. [1994 c 92 § 491; 1982 c 3 § 108; 1973 c 130 § 16.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.270 Reduction of stock—Disposition of surplus.** Any surplus resulting from reduction of stock shall not be available for dividends or other distribution to stockholders except upon liquidation. [1982 c 3 § 109; 1973 c 130 § 17.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.280 Paid-in or contributed surplus or surplus created by reduction of stock—Application and uses.** An association may, by action of its board of directors and with the prior approval of the director, apply any part or all of any paid-in or contributed surplus or any surplus created by reduction of stock to the reduction or writing off of any deficit arising from losses or diminution in value of its assets, or may transfer to or designate as a part of its federal insurance account or any other reserve account irrevocably established for the sole purpose of absorbing losses, any part or all of any paid-in or contributed surplus or any surplus created by reduction of stock. [1994 c 92 § 492; 1982 c 3 § 110; 1973 c 130 § 18.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.290 RCW 33.48.150 through 33.48.280 inapplicable to foreign associations.** RCW 33.48.150 through 33.48.280 do not apply to foreign associations doing business in this state pursuant to the provisions of chapter 33.32 RCW. [1982 c 3 § 111; 1973 c 130 § 19.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**33.48.320 Waiver of chapter requirements.** If, in the opinion of the director, it is necessary for any of the requirements of this chapter to be waived in order to permit an association which is in danger of failing to convert its charter from a mutual association to a stock association or from a stock association to a mutual association so that the association may be acquired by an association or a savings and loan holding company, then the director may waive any such requirement. [1994 c 92 § 493; 1982 c 3 § 112.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**Chapter 33.54 RCW**  
**SATELLITE FACILITIES**  
(See chapter 30A.43 RCW)