

**DCU's Guide For**  
**Out-Of-State, State-Chartered Credit Unions**  
**Conducting Business Activities in Washington**

**Applicable Host State Law**

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**Disclaimer**

The Washington State Division of Credit Unions (Division) prepared this Guide as a general reference tool for out-of-state, state-chartered credit unions interested in conducting business activities in Washington State.

However, this Guide should not be viewed as legal or regulatory advice. The information in this Guide is subject to changes in law as well as changes in interpretation. The Division recommends that out-of-state credit unions interested in conducting business activities in Washington consult with the Division and/or knowledgeable counsel to determine how Washington State Credit Union Law applies in their particular situation.

**Introduction**

So you're an out-of-state, state-chartered credit union that wants to conduct certain business activities in Washington State. You have probably wondered:

1. Can I operate a branch in Washington State? What if I am not federally-insured? Do I need prior state regulatory approval? Am I subject to Washington State Credit Union Law?
2. I don't want to set up a branch in Washington State, but I would like to provide some products and services to my members there. Do I need prior state regulatory approval? Am I subject to Washington State Credit Union law?

We will answer these questions in this Guide. Underlined terms such as branch, or Washington State Credit Union Law, are defined in the last section below.

## **Issue #1 Operating a branch in Washington State.**

**Questions:** Can I operate a branch in Washington State? What if I am not federally-insured? Do I need prior state regulatory approval? Am I subject to Washington State Credit Union Law?

**Answers:** If you are federally insured, you can operate a branch in Washington with our prior approval under RCW 31.12.471. (If you are not federally insured, you cannot operate a branch in Washington.)

If you operate a branch in Washington, you will be subject to the following provisions of Washington State CU Law:

- RCW 31.12.382 – Field of membership (FOM)
- RCW 31.12.384 – Membership
  
- RCW 31.12.408 - Equivalent share/deposit insurance
- RCW 31.12.471 – Foreign and out-of-state, state-chartered credit unions
- RCW 31.12.516 - .724 – Examination and supervision
- RCW 31.12.571 - Notice of intent to establish branch - Another State or Foreign Jurisdiction
- Chapter 208-418 WAC - Fees
- Chapter 208-472 WAC – FOM

## **Issue #2 Conducting business activities in Washington State without operating a branch here.**

**Questions:** I don't want to set up a branch in Washington State, but I would like to provide some products and services to my members there. Do I need prior state regulatory approval? Am I subject to Washington State Credit Union Law?

**Answers:** As long as you do not have a branch in Washington, you can conduct business here, whether or not you are federally insured. You do not need our prior approval and you are not subject to Washington State Credit Union Law.

For example, you may, without our prior approval:

A. Take deposits at a shared branch in Washington through some form of arrangement with another credit union, if you (or your CUSO) do not own or lease the branch in whole or in part.

B. Advertise in Washington, or take deposits, make loans, or provide other products or services to your members who live or work in Washington, if:

- The business is conducted by mail or courier service, by telephone or fax, or through the Internet or other electronic means; and

- The business is conducted from or with an office of the credit union located outside of Washington.

## **Of course, there's always a but ...**

However, **even if** you conduct activities in Washington in a manner that does not require our prior approval, you may need to apply to the Washington State Department of Licensing (DOL) for a master business license. In addition, you may be required to pay applicable taxes and charges, including such items as industrial insurance and unemployment insurance premiums. DOL may be reached at (360) 664-1400. Their webpage is at [www.wa.gov/dol](http://www.wa.gov/dol). You may wish to seek the advice of a knowledgeable professional on these issues.

## **Back to the beginning: Definitions**

As used in this Guide:

1. You have a branch in Washington if you or your CUSO
  - own or lease (in whole or in part) a staffed physical facility in Washington
  - where deposits or withdrawals are made, or shares purchased, through staff at the facility.
2. Washington State Credit Union Law or Washington State CU Law includes Chapter 31.12 of the Revised Code of Washington (RCW), and the rules of the Division of Credit Unions set forth in Chapters 208-418 through 208-472 of the Washington Administrative Code (WAC).