

**Chapter 32.40 RCW
COMMUNITY CREDIT NEEDS**

Sections

- 32.40.010 Examinations—Investigation and assessment of performance record in meeting community credit needs.
- 32.40.020 Approval and disapproval of applications—Consideration of performance record in meeting community credit needs.
- 32.40.030 Adoption of rules.
- 32.40.901 Effective date—1985 c 329.

RCW 32.40.010 Examinations—Investigation and assessment of performance record in meeting community credit needs. (1) In conducting an examination of a savings bank chartered under Title 32 RCW, the director shall investigate and assess the record of performance of the savings bank in meeting the credit needs of the savings bank's entire community, including low and moderate-income neighborhoods. The director shall accept, in lieu of an investigation or part of an investigation required by this section, any report or document that the savings bank is required to prepare or file with one or more federal agencies by the act of Congress entitled the "Community Reinvestment Act of 1977" and the regulations promulgated in accordance with that act, to the extent such reports or documents assist the director in making an assessment based upon the factors outlined in subsection (2) of this section.

(2) In making an investigation required under subsection (1) of this section, the director shall consider, independent of any federal determination, the following factors in assessing the savings bank's record of performance:

(a) Activities conducted by the institution to ascertain credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution;

(b) The extent of the institution's marketing and special credit related programs to make members of the community aware of the credit services offered by the institution;

(c) The extent of participation by the institution's board of directors or board of trustees in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act of 1977;

(d) Any practices intended to discourage applications for types of credit set forth in the institution's community reinvestment act statement(s);

(e) The geographic distribution of the institution's credit extensions, credit applications, and credit denials;

(f) Evidence of prohibited discriminatory or other illegal credit practices;

(g) The institution's record of opening and closing offices and providing services at offices;

(h) The institution's participation, including investments, in local community development projects;

(i) The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans and small business or small farm loans within its community, or the purchase of such loans originated in its community;

(j) The institution's participation in governmentally insured, guaranteed, or subsidized loan programs for housing, small businesses, or small farms;

(k) The institution's ability to meet various community credit needs based on its financial condition, size, legal impediments, local economic condition, and other factors;

(1) Other factors that, in the judgment of the director, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

(3) The director shall include as part of the examination report, a summary of the results of the assessment required under subsection (1) of this section and shall assign annually to each savings bank a numerical community reinvestment rating based on a one through five scoring system. Such numerical scores shall represent performance assessments as follows:

(a)	Excellent performance:	1
(b)	Good performance:	2
(c)	Satisfactory performance:	3
(d)	Inadequate performance:	4
(e)	Poor performance:	5

[1994 c 92 s 410; 1985 c 329 s 8.]

Legislative intent—1985 c 329: See note following RCW 30A.60.010.

RCW 32.40.020 Approval and disapproval of applications—Consideration of performance record in meeting community credit needs. Whenever the director must approve or disapprove of an application for a new branch or satellite facility; for a purchase of assets, a merger, an acquisition or a conversion not required for solvency reasons; or for authority to engage in a business activity, the director shall consider, among other factors, the record of performance of the applicant in helping to meet the credit needs of the applicant's entire community, including low and moderate-income neighborhoods. Assessment of an applicant's record of performance may be the basis for denying an application. [1994 c 92 s 411; 1985 c 329 s 9.]

Legislative intent—1985 c 329: See note following RCW 30A.60.010.

RCW 32.40.030 Adoption of rules. The director shall adopt all rules necessary to implement RCW 32.40.010 and 32.40.020 by January 1, 1986. [1994 c 92 s 412; 1985 c 329 s 10.]

Legislative intent—1985 c 329: See note following RCW 30A.60.010.

RCW 32.40.901 Effective date—1985 c 329. See RCW 30A.60.901.