

**WAC 208-476-100 Limitations on holding of OREO. How long is a credit union allowed to hold OREO?** OREO must be disposed of as soon as prudent business judgment dictates, and in no case longer than five years, absent special circumstances and discretionary approval by the director. The longer real estate is held, the more speculative an investment it becomes.

**When does the holding period begin?** The holding period begins on the date that the credit union takes title to the OREO property.

**What if the OREO is not sold within the initial holding period?** An application to hold other real estate owned beyond the five year initial holding period must be filed no less than six months prior to the end of the initial five years, on a form provided by DFI. In addition to the form, the director may require justifying information, data and reports. The granting of an additional holding period of up to five years is at the regulatory discretion of the director.

[Statutory Authority: RCW 31.12.404, 31.12.426, 31.12.428, 31.12.436, and 31.12.516. WSR 09-24-050, § 208-476-100, filed 11/24/09, effective 12/31/09.]