
SUBSTITUTE HOUSE BILL 2090

State of Washington

53rd Legislature

1994 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Dellwo and R. Meyers)

Read first time 01/31/94.

1 AN ACT Relating to fees for preparation of loan documents, pledges,
2 or reports by pawnbrokers and second-hand dealers; and amending RCW
3 19.60.010, 19.60.060, and 19.60.061.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 19.60.010 and 1991 c 323 s 1 are each amended to read
6 as follows:

7 Unless the context clearly requires otherwise, the definitions in
8 this section apply throughout this chapter.

9 (1) Melted metals means metals derived from metal junk or precious
10 metals that have been reduced to a melted state from other than ore or
11 ingots which are produced from ore that has not previously been
12 processed.

13 (2) Metal junk means any metal that has previously been milled,
14 shaped, stamped, or forged and that is no longer useful in its original
15 form, except precious metals.

16 (3) Nonmetal junk means any nonmetal, commonly discarded item that
17 is worn out, or has outlasted its usefulness as intended in its
18 original form except nonmetal junk does not include an item made in a
19 former period which has enhanced value because of its age.

1 (4) Pawnbroker means every person engaged, in whole or in part, in
2 the business of loaning money on the security of pledges of personal
3 property, or deposits or conditional sales of personal property, or the
4 purchase or sale of personal property.

5 (5) Precious metals means gold, silver, and platinum.

6 (6) Second-hand dealer means every person engaged in whole or in
7 part in the business of purchasing, selling, trading, consignment
8 selling, or otherwise transferring for value, second-hand property
9 including metal junk, melted metals, precious metals, whether or not
10 the person maintains a fixed place of business within the state.
11 Second-hand dealer also includes persons or entities conducting
12 business at flea markets or swap meets, more than three times per year.

13 (7) Second-hand property means any item of personal property
14 offered for sale which is not new, including metals in any form, except
15 postage stamps, coins that are legal tender, bullion in the form of
16 fabricated hallmarked bars, used books, and clothing of a resale value
17 of seventy-five dollars or less, except furs.

18 (8) Transaction means a pledge, or the purchase of, or consignment
19 of, or the trade of any item of personal property by a pawnbroker or a
20 second-hand dealer from a member of the general public.

21 (9) (~~Term of the loan as defined in this chapter shall be set for~~
22 ~~a period of thirty days to include the date of the loan.~~) "Loan
23 period" means the period of time from the date the loan is made until
24 the date the loan is paid off, the loan is in default, or the loan is
25 refinanced and new loan documents are issued, including all grace or
26 extension periods.

27 **Sec. 2.** RCW 19.60.060 and 1991 c 323 s 7 are each amended to read
28 as follows:

29 All pawnbrokers are authorized to charge and receive interest and
30 other fees at the following rates for money on the security of personal
31 property actually received in pledge:

32 (1) The interest for the loan period shall not exceed:

33 (a) For an amount loaned up to \$ 9.99 - interest at \$1.00 for each
34 thirty-day period to include the loan date.

35 (b) For an amount loaned from \$10.00 to \$19.99 - interest at the
36 rate of \$1.25 for each thirty-day period to include the loan date.

37 (c) For an amount loaned from \$20.00 to \$24.99 - interest at the
38 rate of \$1.50 for each thirty-day period to include the loan date.

- 1 (d) For an amount loaned from \$25.00 to \$34.99 - interest at the
2 rate of \$1.75 for each thirty-day period to include the loan date.
- 3 (e) For an amount loaned from \$35.00 to \$39.99 - interest at the
4 rate of \$2.00 for each thirty-day period to include the loan date.
- 5 (f) For an amount loaned from \$40.00 to \$49.99 - interest at the
6 rate of \$2.25 for each thirty-day period to include the loan date.
- 7 (g) For the amount loaned from \$50.00 to \$59.99 - interest at the
8 rate of \$2.50 for each thirty-day period to include the loan date.
- 9 (h) For the amount loaned from \$60.00 to \$69.99 - interest at the
10 rate of \$2.75 for each thirty-day period to include the loan date.
- 11 (i) For the amount loaned from \$70.00 to \$79.99 - interest at the
12 rate of \$3.00 for each thirty-day period to include the loan date.
- 13 (j) For the amount loaned from \$80.00 to \$89.99 - interest at the
14 rate of \$3.25 for each thirty-day period to include the loan date.
- 15 (k) For the amount loaned from \$90.00 to \$99.99 - interest at the
16 rate of \$3.50 for each thirty-day period to include the loan date.
- 17 (l) For the amount loaned from \$100.00 or more - interest at the
18 rate of three percent for each thirty-day period to include the loan
19 date.
- 20 (2) The fee for the preparation of loan documents, pledges, or
21 reports required under the laws of the United States of America, the
22 state of Washington, or the counties, cities, towns, or other political
23 subdivisions thereof, shall not exceed:
- 24 (a) For the amount loaned up to \$4.99 - the sum of \$.50;
25 (b) For the amount loaned from \$5.00 to \$9.99 - the sum of \$2.00;
26 (c) For the amount loaned from \$10.00 to \$14.99 - the sum of \$3.00;
27 (d) For the amount loaned from \$15.00 to \$19.99 - the sum of \$3.50.
28 (e) For the amount loaned from \$20.00 to \$24.99 - the sum of \$4.00.
29 (f) For the amount loaned from \$25.00 to \$29.99 - the sum of \$4.50.
30 (g) For the amount loaned from \$30.00 to \$34.99 - the sum of \$5.00.
31 (h) For the amount loaned from \$35.00 to \$39.99 - the sum of \$5.50.
32 (i) For the amount loaned from \$40.00 to \$44.99 - the sum of \$6.00.
33 (j) For the amount loaned from \$45.00 to \$49.99 - the sum of \$6.50.
34 (k) For the amount loaned from \$50.00 to \$54.99 - the sum of \$7.00.
35 (l) For the amount loaned from \$55.00 to \$59.99 - the sum of \$7.50.
36 (m) For the amount loaned from \$60.00 to \$64.99 - the sum of \$8.00.
37 (n) For the amount loaned from \$65.00 to \$69.99 - the sum of \$8.50.
38 (o) For the amount loaned from \$70.00 to \$74.99 - the sum of \$9.00.
39 (p) For the amount loaned from \$75.00 to \$79.99 - the sum of \$9.50.

1 (q) For the amount loaned from \$80.00 to \$84.99 - the sum of
2 \$10.00.
3 (r) For the amount loaned from \$85.00 to \$89.99 - the sum of
4 \$10.50.
5 (s) For the amount loaned from \$90.00 to \$94.99 - the sum of
6 \$11.00.
7 (t) For the amount loaned from \$95.00 to \$99.99 - the sum of
8 \$11.50.
9 (u) For the amount loaned from \$100.00 to \$104.99 - the sum of
10 \$12.00.
11 (v) For the amount loaned from \$105.00 to \$109.99 - the sum of
12 \$12.25.
13 (w) For the amount loaned from \$110.00 to \$114.99 - the sum of
14 \$12.75.
15 (x) For the amount loaned from \$115.00 to \$119.99 - the sum of
16 \$13.25.
17 (y) For the amount loaned from \$120.00 to \$124.99 - the sum of
18 \$13.50.
19 (z) For the amount loaned from \$125.00 to \$129.99 - the sum of
20 \$13.75.
21 (aa) For the amount loaned from \$130.00 to \$149.99 - the sum of
22 \$14.50.
23 (bb) For the amount loaned from \$150.00 to \$174.99 - the sum of
24 \$14.75.
25 (cc) For the amount loaned from \$175.00 to \$199.99 - the sum of
26 \$15.00.
27 (dd) For the amount loaned from \$200.00 to \$224.99 - the sum of
28 \$16.00.
29 (ee) For the amount loaned from \$225.00 to \$249.99 - the sum of
30 \$17.00.
31 (ff) For the amount loaned from \$250.00 to \$274.99 - the sum of
32 \$18.00.
33 (gg) For the amount loaned from \$275.00 to \$299.99 - the sum of
34 \$19.00.
35 (hh) For the amount loaned from \$300.00 to \$324.99 - the sum of
36 \$20.00.
37 (ii) For the amount loaned from \$325.00 to \$349.99 - the sum of
38 \$21.00.

1 (jj) For the amount loaned from \$350.00 to \$374.99 - the sum of
2 \$22.00.
3 (kk) For the amount loaned from \$375.00 to \$399.99 - the sum of
4 \$23.00.
5 (ll) For the amount loaned from \$400.00 to \$424.99 - the sum of
6 \$24.00.
7 (mm) For the amount loaned from \$425.00 to \$449.99 - the sum of
8 \$25.00.
9 (nn) For the amount loaned from \$450.00 to \$474.99 - the sum of
10 \$26.00.
11 (oo) For the amount loaned from \$475.00 to \$499.99 - the sum of
12 \$27.00.
13 (pp) For the amount loaned from \$500.00 to \$524.99 - the sum of
14 \$28.00.
15 (qq) For the amount loaned from \$525.00 to \$549.99 - the sum of
16 \$29.00.
17 (rr) For the amount loaned from \$550.00 to \$599.99 - the sum of
18 \$30.00.
19 (ss) For the amount loaned from \$600.00 to \$699.99 - the sum of
20 \$35.00.
21 (tt) For the amount loaned from \$700.00 to \$799.99 - the sum of
22 \$40.00.
23 (uu) For the amount loaned from \$800.00 to \$899.99 - the sum of
24 \$40.00.
25 (vv) For the amount loaned from \$900.00 to \$999.99 - the sum of
26 \$50.00.
27 (ww) For the amount loaned from \$1000.00 to \$1499.99 - the sum of
28 \$55.00.
29 (xx) For the amount loaned from \$1500.00 to \$1999.99 - the sum of
30 \$60.00.
31 (yy) For the amount loaned from \$2000.00 to \$2499.99 - the sum of
32 \$65.00.
33 (zz) For the amount loaned from \$2500.00 to \$2999.99 - the sum of
34 \$70.00.
35 (aaa) For the amount loaned from \$3000.00 to \$3499.99 - the sum of
36 \$75.00.
37 (bbb) For the amount loaned from \$3500.00 to \$3999.99 - the sum of
38 \$80.00.

1 (ccc) For the amount loaned from \$4000.00 to \$4499.99 - the sum of
2 \$85.00.

3 (ddd) For the amount loaned from \$4500.00 or more - the sum of
4 \$90.00.

5 (3) Fees under subsection (2) of this section may be charged one
6 time only (~~during the term of the loan~~) for each loan period; no
7 additional fees, other than interest allowed under subsection (1) of
8 this section, shall be charged for making the loan.

9 A copy of this section, set in twelve point type or larger, shall
10 be posted prominently in each premises subject to this chapter.

11 **Sec. 3.** RCW 19.60.061 and 1991 c 323 s 8 are each amended to read
12 as follows:

13 (1) The term of the loan shall be for a period of thirty days to
14 include the date of the loan.

15 (2) A pawnbroker shall not sell any property received in pledge,
16 until both the term of the loan and a grace period of a minimum of
17 sixty days has expired. However, if a pledged article is not redeemed
18 within the ninety-day period of (~~both~~) the term of the loan and the
19 grace period, the pawnbroker shall have all rights, title, and interest
20 of that item of personal property. The pawnbroker shall not be
21 required to account to the pledgor for the proceeds received from the
22 disposition of that item. Any provision of law relating to the
23 foreclosures and the subsequent sale of forfeited pledged items, shall
24 not be applicable to any pledge as defined under this chapter, the
25 title to which is transferred in accordance with this section.

26 (~~(2)~~) (3) Every loan transaction entered into by a pawnbroker
27 shall be evidenced by a written document, a copy of which shall be
28 furnished to the pledgor. The document shall set forth the term of the
29 loan(~~(7)~~); the final date on which the loan is due and payable(~~(7)~~);
30 the loan preparation fee; the amount of interest charged every thirty
31 days; the total amount due including the principal amount, the
32 preparation fee, and all interest charges due if the loan is
33 outstanding for the full ninety days allowed by the term and minimum
34 grace period; and the annual percentage rate, and shall inform the
35 pledgor of the pledgor's right to redeem the pledge at any time within
36 (~~sixty days after the expiration of the loan term~~) the term of the
37 loan or the minimum sixty-day grace period.

1 (4) If a person who has entered into a loan transaction with a
2 pawnbroker in this state is unable to redeem and repay the loan on or
3 before the expiration of the term of the loan plus the minimum sixty-
4 day grace period, and that person wishes to retain his or her rights to
5 use that item by rewriting the loan, and if both parties mutually
6 agree, an existing loan transaction may be rewritten into a new loan,
7 either in person or by mail. All applicable provisions of this chapter
8 shall be followed in rewriting a loan, except that where an existing
9 loan is rewritten by mail RCW 19.60.020(1) (a) and (g) shall not apply.

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