

FINAL BILL REPORT

SHB 2054

C 113 L 99

Synopsis as Enacted

Brief Description: Regulating sellers who finance the goods they sell.

Sponsors: By House Committee on Financial Institutions & Insurance (Originally sponsored by Representatives Quall, Benson, Hatfield and Cairnes).

House Committee on Financial Institutions & Insurance
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background:

Retail installment contracts are regulated by state law. These are transactions between a particular retailer and a consumer, such as a department store or automobile dealer using an installment contract. State law generally requires retail installment contracts financing a sale to provide certain disclosures, describes the contents of an installment contract, and prohibits certain practices related to installment contracts. Federal Truth-in-Lending provisions also apply to retail installment contracts.

Summary:

The principal balance if a retail installment contract, which basically is the amount borrowed, can include amounts paid by the retailer to pay off a loan on similar goods that are traded in as part of the sale. The portion of the principal that is used to pay off the loan on a trade-in must be disclosed in the retail installment contract.

Votes on Final Passage:

House 91 0

Senate 43 0

Effective: July 25, 1999