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**SUBSTITUTE HOUSE BILL 1743**

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**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Dellwo, Broback, R. Meyers, R. Johnson, Dorn, Zellinsky, Paris, Scott and Winsley).

Read first time February 19, 1991.

1            AN ACT Relating to consumer loans; adding new sections to chapter  
2 31.04 RCW; repealing RCW 31.04.010, 31.04.030, 31.04.040, 31.04.050,  
3 31.04.060, 31.04.070, 31.04.080, 31.04.090, 31.04.095, 31.04.100,  
4 31.04.110, 31.04.120, 31.04.130, 31.04.140, 31.04.150, 31.04.160,  
5 31.04.200, 31.04.210, 31.04.220, 31.04.230, 31.04.250, 31.04.260,  
6 31.08.010, 31.08.020, 31.08.030, 31.08.050, 31.08.060, 31.08.070,  
7 31.08.080, 31.08.090, 31.08.100, 31.08.130, 31.08.140, 31.08.150,  
8 31.08.160, 31.08.170, 31.08.173, 31.08.175, 31.08.180, 31.08.190,  
9 31.08.200, 31.08.210, 31.08.220, 31.08.230, 31.08.240, 31.08.250,  
10 31.08.260, 31.08.270, 31.08.900, 31.08.910, 31.08.911, and 31.08.920;  
11 prescribing penalties; and providing an effective date.

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

13            NEW SECTION.    **Sec. 1.**            The legislature finds that borrowers who  
14 represent a higher than average credit risk are unable to obtain credit  
15 except at interest rates higher than permitted under other statutory

1 provisions governing interest rates for loans. Therefore, it is the  
2 purpose of this chapter to authorize higher interest rates for certain  
3 types of loans, subject to the conditions and limitations contained in  
4 this chapter in order to ensure credit availability.

5 NEW SECTION. **Sec. 2.** The definitions set forth in this  
6 section apply throughout this chapter unless the context clearly  
7 requires a different meaning.

8 (1) "Person" includes individuals, partnerships, associations,  
9 trusts, corporations, and all other legal entities.

10 (2) "License" means a single license issued under the authority of  
11 this chapter with respect to a single place of business.

12 (3) "Licensee" means a person to whom one or more licenses have  
13 been issued.

14 (4) "Supervisor" means the supervisor of banking of the department  
15 of general administration.

16 (5) "Insurance" means life insurance, disability insurance,  
17 property insurance, involuntary unemployment insurance, and such other  
18 insurance as may be authorized by the insurance commissioner.

19 (6) "Add-on method" means the method of precomputing interest  
20 payable on a loan whereby the interest to be earned is added to the  
21 principal balance and the total plus any charges allowed under this  
22 chapter is stated as the loan amount, without further provision for the  
23 payment of interest except for failure to pay according to loan terms.  
24 The supervisor may adopt by rule a more detailed explanation of the  
25 meaning and use of this method.

26 (7) "Simple interest method" means the method of computing interest  
27 payable on a loan by applying the annual percentage interest rate or  
28 its periodic equivalent to the unpaid balances of the principal of the  
29 loan outstanding for the time outstanding with each payment applied

1 first to any unpaid penalties, fees, or charges, then to accumulated  
2 interest, and the remainder of the payment applied to the unpaid  
3 balance of the principal until paid in full. In using such method,  
4 interest shall not be payable in advance nor compounded. The  
5 supervisor may adopt by rule a more detailed explanation of the meaning  
6 and use of this method.

7 NEW SECTION. **Sec. 3.** No person may engage in the business of  
8 making secured or unsecured loans of money, credit, or things in action  
9 at interest rates authorized by this chapter without first obtaining  
10 and maintaining a license in accordance with this chapter.

11 NEW SECTION. **Sec. 4.** This chapter shall not apply to any  
12 person doing business under and as permitted by any law of this state  
13 or of the United States relating to banks, savings banks, trust  
14 companies, savings and loan or building and loan associations, or  
15 credit unions, nor to any pawnbroking business lawfully transacted  
16 under and as permitted by any law of this state regulating pawnbrokers,  
17 nor to any loan of credit made pursuant to a credit card plan including  
18 but not restricted to plans having all of the following  
19 characteristics:

20 (1) Where credit cards are issued pursuant to a plan whereby the  
21 organization issuing such cards shall be enabled to acquire those  
22 certain obligations which its members in good standing incur with those  
23 persons with whom the organization has entered into agreements setting  
24 forth said plan, and where the obligations are incurred pursuant to  
25 such agreements; or whereby the organization issuing such cards shall  
26 be enabled to extend to its members;

1 (2) Any fee for such credit cards is designed to cover only the  
2 administrative costs of the plan and does not exceed twenty-five  
3 dollars per year;

4 (3) Any charges, discounts, or fees resulting from the acquisition  
5 of such charges shall be paid to the organization issuing said credit  
6 cards (or to such other organizations as may be authorized by the  
7 issuing organization) by the persons, corporations, or associations  
8 with whom the organization has entered into such written agreements.

9 NEW SECTION. **Sec. 5.** (1) Application for a license under this  
10 chapter must be in writing and in the form prescribed by the  
11 supervisor. The application must contain at least the following  
12 information:

13 (a) The name and the business and the residence addresses of the  
14 applicant;

15 (b) If the applicant is a partnership or association, the name of  
16 every member;

17 (c) If the applicant is a corporation, the name of each officer and  
18 director;

19 (d) The street address, county, and municipality where business is  
20 to be conducted; and

21 (e) Such other information as the supervisor may require by rule.

22 (2) At the time of filing an application for a license under this  
23 chapter, each applicant shall pay to the supervisor an investigation  
24 fee and the initial year's license fee in an amount determined by rule  
25 of the supervisor to be sufficient to cover the supervisor's costs in  
26 administering this chapter.

27 (3) Each applicant shall file and maintain a surety bond, approved  
28 by the supervisor, in the penal sum of one hundred thousand dollars,  
29 executed by the applicant as obligor and by a surety company authorized

1 to do a surety business in this state as surety, whose liability as  
2 such surety shall not exceed the penal sum in the aggregate. The bond  
3 shall run to the state of Washington as obligee for the use and benefit  
4 of the state and of any person or persons who may have a cause of  
5 action against the obligor under this chapter. The bond shall be  
6 conditioned that the obligor as licensee will faithfully conform to and  
7 abide by this chapter and all the rules adopted under this chapter.  
8 The bond will pay to the state and any person or persons having a cause  
9 of action against the obligor all moneys that may become due and owing  
10 to the state and those persons under and by virtue of this chapter. In  
11 lieu of a surety bond, if the applicant is a Washington business  
12 corporation, the applicant may maintain unimpaired capital, surplus,  
13 and long-term subordinated debt in an amount that at any time its  
14 outstanding promissory notes or other evidences of debt (other than  
15 long-term subordinated debt) in an aggregate sum do not exceed three  
16 times the aggregate amount of its unimpaired capital, surplus, and  
17 long-term subordinated debt. The supervisor may define qualifying  
18 "long-term subordinated debt" for purposes of this section.

19 NEW SECTION. **Sec. 6.** (1) The supervisor shall issue and  
20 deliver a license to the applicant to make loans in accordance with  
21 this chapter at the location specified in the application if, after  
22 investigation, the supervisor finds that the applicant has paid all  
23 required fees, has complied with section 5 of this act, and that the  
24 financial responsibility, experience, character, and general fitness of  
25 the applicant are such as to command the confidence of the community  
26 and to warrant a belief that the business will be operated honestly,  
27 fairly, and efficiently within the purposes of this chapter.

28 (2) If the supervisor does not find the conditions of subsection  
29 (1) of this section have been met, the supervisor shall not issue the

1 license. The supervisor shall notify the applicant of the denial and  
2 return to the applicant the bond posted and the sum paid by the  
3 applicant as a license fee, retaining the investigation fee to cover  
4 the costs of investigating the application. The supervisor shall  
5 approve or deny every application for license under this chapter within  
6 sixty days from the filing of a complete application with the fees and  
7 the approved bond.

8 NEW SECTION. **Sec. 7.** The license shall state the address at  
9 which the business is to be conducted and shall state fully the name of  
10 the licensee, and if the licensee is a copartnership or association,  
11 the names of its members, and if a corporation, the date and place of  
12 its incorporation. The licensee shall conspicuously post the license  
13 in the place of business of the licensee. The license is not  
14 transferable or assignable.

15 NEW SECTION. **Sec. 8.** The licensee may not maintain more than  
16 one place of business under the same license, but the supervisor may  
17 issue more than one license to the same licensee upon application by  
18 the licensee in a form and manner established by the supervisor. A  
19 licensee who has five licensed locations shall not be required to  
20 maintain a bond in a penal sum exceeding ten thousand dollars for each  
21 additionally licensed location.

22 Whenever a licensee wishes to change the place of business to a  
23 street address other than that designated in the license, the licensee  
24 shall give written notice to the supervisor and shall obtain the  
25 supervisor's approval.

26 NEW SECTION. **Sec. 9.** A licensee shall, for each license held  
27 by any person, on or before the twentieth day of each December, pay to

1 the supervisor an annual license fee. At the same time the licensee  
2 shall file with the supervisor the required bond or otherwise  
3 demonstrate compliance with section 5 of this act.

4 NEW SECTION. **Sec. 10.** (1) The supervisor may revoke a license  
5 issued under this chapter if the supervisor finds that:

6 (a) The licensee has failed to pay any fee due the state of  
7 Washington, has failed to maintain in effect the bond or permitted  
8 substitute required under this chapter, or has failed to comply with  
9 any specific order or demand of the supervisor lawfully made and  
10 directed to the licensee in accordance with this chapter;

11 (b) The licensee, either knowingly or without the exercise of due  
12 care, has violated any provision of this chapter or any rule adopted  
13 under this chapter; or

14 (c) A fact or condition exists that, if it had existed at the time  
15 of the original application for the license, clearly would have allowed  
16 the supervisor to deny the application for the original license. The  
17 supervisor may revoke or suspend only the particular license with  
18 respect to which grounds for revocation or suspension may occur or  
19 exist unless the supervisor finds that the grounds for revocation or  
20 suspension are of general application to all offices or to more than  
21 one office operated by the licensee, in which case, the supervisor may  
22 revoke or suspend all of the licenses issued to the licensee.

23 (2) A licensee may surrender a license by delivering to the  
24 supervisor written notice of surrender, but the surrender does not  
25 affect the licensee's civil or criminal liability, if any, for acts  
26 committed before the surrender.

27 (3) The revocation, suspension, or surrender of a license does not  
28 impair or affect the obligation of a preexisting lawful contract  
29 between the licensee and a borrower.

1 (4) Every license issued under this chapter remains in force and  
2 effect until it has been surrendered, revoked, or suspended in  
3 accordance with this chapter. However, the supervisor may on his or  
4 her own initiative reinstate suspended licenses or issue new licenses  
5 to a licensee whose license or licenses have been revoked if the  
6 supervisor finds that the licensee meets all the requirements of this  
7 chapter.

8 NEW SECTION. **Sec. 11.** Every licensee may:

9 (1) Lend money at a rate that does not exceed twenty-five percent  
10 per annum as determined by the simple interest method of calculating  
11 interest owed;

12 (2) In connection with the making of a loan, charge the borrower a  
13 nonrefundable, prepaid, loan origination fee not to exceed four percent  
14 of the first twenty thousand dollars and two percent thereafter of the  
15 principal amount of the loan advanced to or for the direct benefit of  
16 the borrower, which fee may be included in the principal balance of the  
17 loan;

18 (3) Agree with the borrower for the payment of fees for title  
19 insurance, appraisals, recording, reconveyance, and releasing when such  
20 fees are actually paid by the licensee to a third party for such  
21 services or purposes and may include such fees in the amount of the  
22 loan. However, no charge may be collected unless a loan is made,  
23 except for reasonable fees properly incurred in connection with the  
24 appraisal of property by a qualified, independent, professional, third-  
25 party appraiser selected by the borrower and approved by the lender or  
26 in the absence of borrower selection, selected by the lender;

27 (4) Charge and collect a penalty of ten cents or less on each  
28 dollar of any installment payment delinquent ten days or more;

29 (5) Make open-end loans as provided in this chapter;



1 (6) Charge and collect a fee for dishonored checks in an amount  
2 approved by the supervisor; and

3 (7) In accordance with Title 48 RCW, sell insurance covering real  
4 and personal property, covering the life or disability or both of the  
5 borrower, and covering the involuntary unemployment of the borrower.

6 NEW SECTION. **Sec. 12.** (1) As used in this section, "open-end  
7 loan" means an agreement between a licensee and a borrower that  
8 expressly states that the loan is made in accordance with this chapter  
9 and that provides that:

10 (a) A licensee may permit the borrower to obtain advances of money  
11 from the licensee from time to time, or the licensee may advance money  
12 on behalf of the borrower from time to time as directed by the  
13 borrower;

14 (b) The amount of each advance and permitted charges and costs are  
15 debited to the borrower's account, and payments and other credits are  
16 credited to the same account;

17 (c) The charges are computed on the unpaid principal balance, or  
18 balances, of the account from time to time; and

19 (d) The borrower has the privilege of paying the account in full at  
20 any time without prepayment penalty or, if the account is not in  
21 default, in monthly installments of fixed or determinable amounts as  
22 provided in the agreement.

23 (2) Interest charges on an open-end loan shall not exceed twenty-  
24 five percent per annum computed in each billing cycle by any of the  
25 following methods:

26 (a) By converting the annual rate to a daily rate, and multiplying  
27 the daily rate by the daily unpaid principal balance of the account, in  
28 which case each daily rate is determined by dividing the annual rate by  
29 three hundred sixty-five;

1 (b) By multiplying a monthly rate by the average daily unpaid  
2 principal balance of the account in the billing cycle, in which case  
3 the monthly rate is one-twelfth of the annual rate, and the average  
4 daily unpaid principal balance is the sum of the amount unpaid each day  
5 during the cycle divided by the number of days in the cycle; or

6 (c) By converting the annual rate to a daily rate, and multiplying  
7 the daily rate by the average daily unpaid principal balance of the  
8 account in the billing cycle, in which case the daily rate is  
9 determined by dividing the annual rate by three hundred sixty-five, and  
10 the average daily unpaid principal balance is the sum of the amount  
11 unpaid each day during the cycle divided by the number of days in the  
12 cycle.

13 For all of the methods of computation specified in this subsection,  
14 the billing cycle shall be monthly, and the unpaid principal balance on  
15 any day shall be determined by adding to the balance unpaid, as of the  
16 beginning of that day, all advances and other permissible amounts  
17 charged to the borrower, and deducting all payments and other credits  
18 made or received that day. A billing cycle is considered monthly if  
19 the closing date of the cycle is on the same date each month, or does  
20 not vary by more than four days from that date.

21 (3) In addition to the charges permitted under subsection (2) of  
22 this section, the licensee may contract for and receive an annual fee,  
23 payable each year in advance, for the privilege of opening and  
24 maintaining an open-end loan account. Except as prohibited or limited  
25 by this section, the licensee may also contract for and receive on an  
26 open-end loan any additional charge permitted by this chapter on other  
27 loans, subject to the conditions and restrictions otherwise pertaining  
28 to those charges.

29 (4)(a) If credit life or disability insurance is provided, and if  
30 the insured dies or becomes disabled when there is an outstanding open-

1 end loan indebtedness, the insurance must be sufficient to pay the  
2 total balance of the loan due on the date of the borrower's death in  
3 the case of credit life insurance, or all minimum payments that become  
4 due on the loan during the covered period of disability in the case of  
5 credit disability insurance. The additional charge for credit life  
6 insurance or credit disability insurance shall be calculated in each  
7 billing cycle by applying the current monthly premium rate for the  
8 insurance, as permitted by the insurance commissioner, to the unpaid  
9 balances in the borrower's account, using any of the methods specified  
10 in subsection (2) of this section for the calculation of interest; and

11 (b) The licensee shall not cancel credit life or disability  
12 insurance written in connection with an open-end loan because of  
13 delinquency of the borrower in the making of the required minimum  
14 payments on the loan, unless one or more of the payments is past due  
15 for a period of ninety days or more; and the licensee shall advance to  
16 the insurer the amounts required to keep the insurance in force during  
17 that period, which amounts may be debited to the borrower's account.

18 (5) A security interest in real or personal property may be taken  
19 to secure an open-end loan. Any such security interest may be retained  
20 until the open-end account is terminated. The security interest shall  
21 be promptly released if (a) there has been no outstanding balance in  
22 the account for twelve months and the borrower either does not have or  
23 surrenders the unilateral right to create a new outstanding balance; or  
24 (b) the account is terminated at the borrower's request and paid in  
25 full.

26 (6) The licensee may from time to time increase the rate of  
27 interest being charged on the unpaid principal balance of the  
28 borrower's open-end loans if the licensee mails or delivers written  
29 notice of the change to the borrower at least thirty days before the  
30 effective date of the increase unless the increase has been earlier

1 agreed to by the borrower. However, the borrower may choose to  
2 terminate the open-end account and the licensee shall allow the  
3 borrower to repay the unpaid balance incurred before the effective date  
4 of the rate increase upon the existing open-end loan account terms and  
5 interest rate unless the borrower incurs additional debt on or after  
6 the effective date of the rate increase or otherwise agrees to the new  
7 rate.

8 (7) The licensee shall deliver a copy of the open-end loan  
9 agreement to the borrower at the time the open-end account is created.  
10 The agreement must contain the name and address of the licensee and of  
11 the principal borrower, and must contain such specific disclosures as  
12 may be required by rule of the supervisor. In adopting the rules the  
13 supervisor shall consider Regulation Z promulgated by the board of  
14 governors of the federal reserve system under the federal Consumer  
15 Credit Protection Act.

16 (8) Except in the case of an account that the licensee deems to be  
17 uncollectible, or with respect to which delinquency collection  
18 procedures have been instituted, the licensee shall deliver to the  
19 borrower at the end of each billing cycle in which there is an  
20 outstanding balance of more than one dollar in the account, or with  
21 respect to which interest is imposed, a periodic statement in the form  
22 required by the supervisor. In specifying such form the supervisor  
23 shall consider Regulation Z promulgated by the board of governors of  
24 the federal reserve system under the federal Consumer Credit Protection  
25 Act.

26 NEW SECTION. **Sec. 13.** (1) No licensee may make a loan with a  
27 repayment period greater than six years and fifteen days after the loan  
28 origination date except for open-end loans or loans secured by real  
29 estate or personal property used as a residence.

1 (2) No licensee may make a loan using any method of calculating  
2 interest other than the simple interest method; except that the add-on  
3 method of calculating interest may be used for a loan not secured by  
4 real property or personal property used as a residence when the  
5 repayment period does not exceed three years and fifteen days after the  
6 loan origination date.

7 (3) No licensee may make a loan secured by real estate in an amount  
8 in excess of ninety percent of the value of such real estate and  
9 improvements, including all prior liens against the property.

10 (4) No licensee may make a loan using the add-on method to  
11 calculate interest that does not provide for a refund to the borrower  
12 or a credit to the borrower's account of any unearned interest when the  
13 loan is repaid before the original maturity date in full by cash, by a  
14 new loan, by refinancing, or otherwise before the final due date. The  
15 refund must be calculated using the actuarial method, unless a sum  
16 equal to two or more installments has been prepaid and the account is  
17 not in arrears and continues to be paid ahead, in which case the  
18 interest on the account must be recalculated by the simple interest  
19 method with the refund of unearned interest made as if the loan had  
20 been made using the simple interest method. When computing an  
21 actuarial refund, the lender may round the annual rate used to the  
22 nearest quarter of one percent.

23 In computing a required refund of unearned interest, a prepayment  
24 made on or before the fifteenth day after the scheduled payment date is  
25 deemed to have been made on the payment date preceding the prepayment.  
26 In the case of prepayment before the first installment due date, the  
27 company may retain an amount not to exceed one-thirtieth of the first  
28 month's interest charge for each day between the origination date of  
29 the loan and the actual date of prepayment.

1 (5) No licensee may provide credit life or disability insurance in  
2 an amount greater than that required to pay off the total balance owing  
3 on the date of the borrower's death net of refunds in the case of  
4 credit life insurance, or all minimum payments that become due on the  
5 loan during the covered period of disability in the case of credit  
6 disability insurance. The lender may not require any such insurance.

7 (6) Except in the case of loans by mail, where the borrower has  
8 sufficient time to review papers before returning them, no licensee may  
9 prepare loan papers in advance of the loan closing without having  
10 reviewed with the borrower the terms and conditions of the loan to  
11 include the type and amount of insurance, if any, requested by the  
12 borrower.

13 NEW SECTION. **Sec. 14.** No licensee may advertise, print,  
14 display, publish, distribute, or broadcast or cause or permit to be  
15 advertised, printed, displayed, published, distributed, or broadcast,  
16 in any manner whatsoever, any statement or representation with regard  
17 to the rates, terms, or conditions for the lending of money that is  
18 false, misleading, or deceptive.

19 NEW SECTION. **Sec. 15.** For the purpose of discovering  
20 violations of this chapter or securing information lawfully required  
21 under this chapter, the supervisor may at any time, either personally  
22 or by a designee, investigate the loans and business and examine,  
23 wherever located, the books, accounts, records, and files used in the  
24 business of every licensee and of every person who is engaged in the  
25 business described in section 3 of this act, whether the person acts or  
26 claims to act as principal or agent, or under or without the authority  
27 of this chapter. For that purpose the supervisor and designated  
28 representative shall have free access to the offices and places of

1 business, books, accounts, papers, records, files, safes, and vaults of  
2 all such persons. The supervisor and persons designated by the  
3 supervisor may require the attendance of and examine under oath all  
4 persons whose testimony may be required about the loans or the business  
5 or the subject matter of any investigation, examination, or hearing.  
6 The supervisor shall make such an examination of the affairs, business,  
7 office, and records of each licensee at least once each eighteen  
8 months. The licensee so examined shall pay to the supervisor the  
9 actual cost of examining and supervising each licensed place of  
10 business.

11 NEW SECTION. **Sec. 16.** The licensee shall keep and use in the  
12 business such books, accounts, and records as will enable the  
13 supervisor to determine whether the licensee is complying with this  
14 chapter and with the rules adopted by the supervisor under this  
15 chapter. The supervisor shall have free access to such books,  
16 accounts, and records wherever located. Every licensee shall preserve  
17 the books, accounts, and records for at least two years after making  
18 the final entry on any loan recorded in them.

19 Each licensee shall on or before the first day of March each year  
20 file a report with the supervisor giving such relevant information as  
21 the supervisor reasonably may require concerning the business and  
22 operations during the preceding calendar year of each licensed place of  
23 business conducted by the licensee within the state. The report must  
24 be made under oath and must be in the form prescribed by the  
25 supervisor, who shall make and publish annually an analysis and  
26 recapitulation of the reports.

27 NEW SECTION. **Sec. 17.** (1) The supervisor has the power, and  
28 broad administrative discretion, to administer and interpret this

1 chapter to facilitate the delivery of financial services to the  
2 citizens of this state by loan companies subject to this chapter. The  
3 supervisor shall adopt all rules necessary to ensure complete and full  
4 disclosure by licensees of lending transactions governed by this  
5 chapter.

6 (2) If it appears to the supervisor that a licensee is conducting  
7 business in an injurious manner or is violating any provision of this  
8 chapter, the supervisor may direct the discontinuance of any such  
9 injurious or illegal practice.

10 NEW SECTION. **Sec. 18.** (1) Every licensee that fails to file a  
11 report that is required to be filed by this chapter within the time  
12 required under this chapter is subject to a penalty of fifty dollars  
13 per day for each day's delay. The attorney general may bring a civil  
14 action in the name of the state for recovery of any such penalty.

15 (2) A person who violates, or knowingly aids or abets the violation  
16 of any provision of this chapter for which no penalty has been  
17 prescribed, and a person who fails to perform any act that it is made  
18 his or her duty to perform under this chapter and for which failure no  
19 penalty has been prescribed, is guilty of a gross misdemeanor. No  
20 person who has been convicted for the violation of the banking laws of  
21 this state or of the United States may be permitted to engage in the  
22 business, or become an officer or official, of any licensee in this  
23 state.

24 (3) No provision imposing civil penalties or criminal liability  
25 under this chapter or rule adopted under this chapter applies to an act  
26 taken or omission made in good faith in conformity with a written  
27 notice, interpretation, or examination report of the supervisor or his  
28 or her agent.



1        NEW SECTION.    **Sec. 19.**        All rules adopted under or to implement  
2 the provisions of law repealed by sections 23 and 24 of this act remain  
3 in effect until amended or repealed by the supervisor.

4        NEW SECTION.    **Sec. 20.**        If any provision of this act or its  
5 application to any person or circumstance is held invalid, the  
6 remainder of the act or the application of the provision to other  
7 persons or circumstances is not affected.

8        NEW SECTION.    **Sec. 21.**        This chapter shall be known as the  
9 Consumer Loan Act.

10       NEW SECTION.    **Sec. 22.**        Sections 1 through 21 of this act are  
11 added to chapter 31.04 RCW.

12       NEW SECTION.    **Sec. 23.**        The following acts or parts of acts are  
13 each repealed:

14        (1) RCW 31.04.010 and 1941 c 19 s 1, 1925 ex.s. c 186 s 1, & 1923  
15 c 172 s 1;

16        (2) RCW 31.04.030 and 1923 c 172 s 2;

17        (3) RCW 31.04.040 and 1982 c 10 s 4;

18        (4) RCW 31.04.050 and 1981 c 302 s 21 & 1923 c 172 s 4;

19        (5) RCW 31.04.060 and 1925 ex.s. c 186 s 2 & 1923 c 172 s 6;

20        (6) RCW 31.04.070 and 1981 c 302 s 22 & 1923 c 172 s 5;

21        (7) RCW 31.04.080 and 1941 c 19 s 2, 1939 c 95 s 3, 1925 ex.s. c  
22 186 s 3, & 1923 c 172 s 7;

23        (8) RCW 31.04.090 and 1988 c 7 s 1, 1985 c 74 s 1, 1981 c 312 s 2,  
24 1941 c 19 s 3, 1939 c 95 s 2, 1925 ex.s. c 186 s 4, & 1923 c 172 s 8;

25        (9) RCW 31.04.095 and 1985 c 74 s 3;

- 1 (10) RCW 31.04.100 and 1988 c 7 s 2, 1985 c 74 s 2, 1981 c 312 s 3,  
2 1941 c 19 s 4, 1939 c 95 s 3, 1925 ex.s. c 186 s 5, & 1923 c 172 s 9;  
3 (11) RCW 31.04.110 and 1923 c 172 s 10;  
4 (12) RCW 31.04.120 and 1925 ex.s. c 186 s 6 & 1923 c 172 s 11;  
5 (13) RCW 31.04.130 and 1941 c 19 s 5, 1925 ex.s. c 186 s 7, & 1923  
6 c 172 s 12;  
7 (14) RCW 31.04.140 and 1981 c 312 s 4 & 1923 c 172 s 14;  
8 (15) RCW 31.04.150 and 1981 c 312 s 5, 1941 c 19 s 6, & 1923 c 172  
9 s 15;  
10 (16) RCW 31.04.160 and 1988 c 25 s 2 & 1923 c 172 s 16;  
11 (17) RCW 31.04.200 and 1923 c 172 s 17;  
12 (18) RCW 31.04.210 and 1925 ex.s. c 186 s 8 & 1923 c 172 s 18;  
13 (19) RCW 31.04.220 and 1981 c 312 s 6 & 1923 c 172 s 19;  
14 (20) RCW 31.04.230 and 1923 c 172 s 20;  
15 (21) RCW 31.04.250 and 1939 c 95 s 4 & 1923 c 172 s 24; and  
16 (22) RCW 31.04.260 and 1923 c 172 s 13.

17 NEW SECTION. **Sec. 24.** The following acts or parts of acts are  
18 each repealed:

- 19 (1) RCW 31.08.010 and 1988 c 25 s 3 & 1941 c 208 s 1;  
20 (2) RCW 31.08.020 and 1977 ex.s. c 150 s 1, 1959 c 212 s 1, & 1941  
21 c 208 s 2;  
22 (3) RCW 31.08.030 and 1979 c 18 s 5, 1977 ex.s. c 150 s 2, 1959 c  
23 212 s 2, & 1941 c 208 s 3;  
24 (4) RCW 31.08.050 and 1977 ex.s. c 150 s 3 & 1941 c 208 s 4;  
25 (5) RCW 31.08.060 and 1941 c 208 s 5;  
26 (6) RCW 31.08.070 and 1979 c 18 s 6, 1977 ex.s. c 150 s 4, & 1941  
27 c 208 s 6;  
28 (7) RCW 31.08.080 and 1977 ex.s. c 150 s 5 & 1941 c 208 s 7;  
29 (8) RCW 31.08.090 and 1977 ex.s. c 150 s 6 & 1941 c 208 s 8;

1 (9) RCW 31.08.100 and 1988 c 25 s 4 & 1941 c 208 s 9;  
2 (10) RCW 31.08.130 and 1959 c 212 s 3 & 1941 c 208 s 10;  
3 (11) RCW 31.08.140 and 1941 c 208 s 11;  
4 (12) RCW 31.08.150 and 1977 ex.s. c 150 s 7, 1959 c 212 s 4, & 1941  
5 c 208 s 12;  
6 (13) RCW 31.08.160 and 1983 c 227 s 1, 1979 c 18 s 3, 1977 ex.s. c  
7 150 s 8, 1959 c 212 s 5, & 1941 c 208 s 13;  
8 (14) RCW 31.08.170 and 1983 c 227 s 2, 1959 c 212 s 6, & 1941 c 208  
9 s 14;  
10 (15) RCW 31.08.173 and 1977 ex.s. c 150 s 9 & 1959 c 212 s 10;  
11 (16) RCW 31.08.175 and 1979 c 18 s 4, 1975 1st ex.s. c 266 s 1, &  
12 1959 c 212 s 11;  
13 (17) RCW 31.08.180 and 1977 ex.s. c 150 s 10, 1959 c 212 s 7, &  
14 1941 c 208 s 15;  
15 (18) RCW 31.08.190 and 1977 ex.s. c 150 s 11, 1959 c 212 s 8, &  
16 1941 c 208 s 16;  
17 (19) RCW 31.08.200 and 1977 ex.s. c 150 s 12, 1967 c 180 s 1, 1959  
18 c 212 s 9, & 1941 c 208 s 17;  
19 (20) RCW 31.08.210 and 1941 c 208 s 18;  
20 (21) RCW 31.08.220 and 1971 ex.s. c 37 s 1 & 1941 c 208 s 19;  
21 (22) RCW 31.08.230 and 1988 c 25 s 5 & 1941 c 208 s 20;  
22 (23) RCW 31.08.240 and 1941 c 208 s 21;  
23 (24) RCW 31.08.250 and 1941 c 208 s 22;  
24 (25) RCW 31.08.260 and 1988 c 202 s 31, 1971 c 81 s 81, & 1941 c  
25 208 s 23;  
26 (26) RCW 31.08.270 and 1979 c 18 s 1 & 1941 c 208 s 24;  
27 (27) RCW 31.08.900 and 1941 c 208 s 25;  
28 (28) RCW 31.08.910 and 1941 c 208 s 26;  
29 (29) RCW 31.08.911 and 1959 c 212 s 12; and  
30 (30) RCW 31.08.920 and 1979 c 18 s 2 & 1941 c 208 s 27.

1        NEW SECTION.    **Sec. 25.**        (1) Sections 1 through 23 of this act  
2 shall take effect January 1, 1992, but the supervisor shall take such  
3 steps and adopt such rules as are necessary to implement this act by  
4 that date.

5        (2) Section 24 of this act shall take effect January 1, 1993.