
SENATE BILL 6305

State of Washington

52nd Legislature

1992 Regular Session

By Senators Sellar, Vognild and McCaslin

Read first time 01/24/92. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to a national competitive retail credit market;
2 reenacting and amending RCW 63.14.130; and repealing RCW 63.14.135.

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

4 **Sec. 1.** RCW 63.14.130 and 1989 c 112 s 1 and 1989 c 14 s 5 are
5 each reenacted and amended to read as follows:

6 The service charge shall be inclusive of all charges incident to
7 investigating and making the retail installment contract or charge
8 agreement and for the privilege of making the installment payments
9 thereunder and no other fee, expense or charge whatsoever shall be
10 taken, received, reserved or contracted therefor from the buyer.

11 (1) ~~((Except as provided in subsections (2) and (3) of this~~
12 ~~section,))~~ The service charge, in a retail installment contract, shall
13 not exceed the ~~((highest of the following:~~

1 ~~(a) A rate on outstanding unpaid balances which exceeds six~~
2 ~~percentage points above the average, rounded to the nearest one quarter~~
3 ~~of one percent, of the equivalent coupon issue yields (as published by~~
4 ~~the Board of Governors of the Federal Reserve System) of the bill rates~~
5 ~~for twenty six week treasury bills for the last market auctions~~
6 ~~conducted during February, May, August, and November of the year prior~~
7 ~~to the year in which the retail installment contract is executed; or~~

8 ~~(b) Ten dollars.~~

9 ~~(2) The service charge in a retail installment contract for the~~
10 ~~purchase of a motor vehicle shall not exceed the highest of the~~
11 ~~following:~~

12 ~~(a) A rate on outstanding unpaid balances which exceeds six~~
13 ~~percentage points above the average, rounded to the nearest one quarter~~
14 ~~of one percent, of the equivalent coupon issue yield (as published by~~
15 ~~the Board of Governors of the Federal Reserve System) of the bill rate~~
16 ~~for twenty six week treasury bills for the last market auction~~
17 ~~conducted during February, May, August, or November, as the case may~~
18 ~~be, prior to the quarter in which the retail installment contract for~~
19 ~~purchase of the motor vehicle is executed; or~~

20 ~~(b) Ten dollars.~~

21 ~~As used in this subsection, "motor vehicle" means every device~~
22 ~~capable of being moved upon a public highway and in, upon, or by which~~
23 ~~any person or property is or may be transported or drawn upon a public~~
24 ~~highway, except for devices moved by human or animal power or used~~
25 ~~exclusively upon stationary rails or tracks.~~

26 ~~(3) The service charge in a retail installment contract for the~~
27 ~~purchase of a vessel shall not exceed the highest of the following:~~

28 ~~(a) A rate on outstanding balances which exceeds six percentage~~
29 ~~points above the average, rounded to the nearest one quarter of one~~
30 ~~percent, of the equivalent coupon issue yield, as published by the~~

1 ~~federal reserve bank of San Francisco, of the bill rate for twenty-six~~
2 ~~week treasury bills for the last market auction conducted prior to the~~
3 ~~quarter in which the retail installment contract for purchase of the~~
4 ~~vessel is expected; or~~

5 (b) ~~Ten dollars.~~

6 ~~As used in this subsection, "vessel" means any watercraft used or~~
7 ~~capable of being used as a means of transportation on the water, other~~
8 ~~than a seaplane)) dollar amount or rate agreed to by contract and~~
9 ~~disclosed under RCW 63.14.040(1)(7)(g).~~

10 ((~~(4)~~)) (2) ~~The service charge in a retail charge agreement,~~
11 ~~revolving charge agreement, lender credit card agreement, or charge~~
12 ~~agreement, shall not exceed ((one and one-half percent per month on the~~
13 ~~outstanding unpaid balances)) the schedule or rate agreed to by~~
14 ~~contract and disclosed under RCW 63.14.120(1). If the service charge~~
15 ~~so computed is less than one dollar for any month, then one dollar may~~
16 ~~be charged.~~

17 ((~~(5)~~ ~~A service charge may be computed on the median amount within~~
18 ~~a range which does not exceed ten dollars and which is a part of a~~
19 ~~published schedule of consecutive ranges applied to an outstanding~~
20 ~~balance, provided the median amount is used in computing the service~~
21 ~~charge for all balances within such range.))~~

22 NEW SECTION. Sec. 2. RCW 63.14.135 and 1989 c 112 s 2, 1988
23 c 72 s 1, & 1986 c 60 s 2 are each repealed.