

FINAL BILL REPORT

HB 1225

C 190 L 93
Synopsis as Enacted

Brief Description: Concerning the collection of allowable fees in connection with delinquent debts, repossessions, and foreclosures.

By Representatives Zellinsky, Dellwo, Anderson and Mielke.

House Committee on Financial Institutions & Insurance
Senate Committee on Labor & Commerce

Background: In 1991, the Legislature combined the Consumer Finance Act and the Industrial Loan Act into a new Consumer Loan Act; thus, eliminating the need for two separate licenses to engage in the lending activities authorized under each of the prior statutes. The new Consumer Loan Act does not permit loan companies to charge and collect reasonable attorney fees and actual expenses incurred in connection with the collection of a delinquent debt.

Summary: A consumer loan company may collect from the debtor reasonable attorney fees, actual expenses, and costs incurred in connection with the collection of a delinquent debt, a repossession, or a foreclosure when a debt is referred for collection to an attorney who is not a salaried employee of the company.

Votes on Final Passage:

House	96	1
Senate	48	0

Effective: July 25, 1993