

HOUSE BILL ANALYSIS

ON

HB 1712

Brief Description: *Revising loan fees on the retail sale of an automobile.*

BACKGROUND: The Retail Installment Sales Act (RISA) regulates retail credit in Washington. RISA generally divides retail transactions into closed-end and open-end transactions. Closed-end transactions are one-time contracts for the purchase of identified goods with a fixed repayment period; for example credit extended by car and boat dealers. Open-end transactions permit periodic use of credit with an open-ended repayment period.

RISA does not limit the interest charged on retail transactions, although no fees are allowed.

SUMMARY: An automobile dealer may charge a loan fee up to fifty dollars for making a retail loan on the sale of an automobile.

Fiscal Note: Not Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Rulemaking: Not addressed.