
HOUSE BILL 1411

State of Washington

55th Legislature

1997 Regular Session

By Representatives L. Thomas, Grant, Zellinsky, DeBolt and Benson

Read first time 01/24/97. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to authorizing the collection of fees in connection
2 with making consumer loans; and amending RCW 31.04.105.

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

4 **Sec. 1.** RCW 31.04.105 and 1994 c 92 s 167 are each amended to read
5 as follows:

6 Every licensee may:

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

10 (2)(a) In connection with the making of a loan that is secured
11 primarily by real estate, charge the borrower a nonrefundable loan
12 origination fee, which may be included in the principal balance of the
13 loan;

14 (b) In connection with the making of a loan that is not secured
15 primarily by real estate, charge the borrower a nonrefundable((~~7~~
16 prepaid~~7~~)) loan origination fee not to exceed four percent of the first
17 twenty thousand dollars and two percent thereafter of the principal
18 amount of the loan advanced to or for the direct benefit of the

1 borrower, which fee may be included in the principal balance of the
2 loan;

3 (3) Agree with the borrower for the payment of fees (~~for title~~
4 ~~insurance, appraisals, recording, reconveyance, and releasing~~) to
5 third parties who provide goods or services in connection with the
6 preparation of the borrower's loan, including, but not limited to,
7 credit reporting agencies, title companies, appraisers, structural and
8 pest inspectors, and escrow companies, when such fees are actually paid
9 by the licensee to a third party for such services or purposes and may
10 include such fees in the amount of the loan. However, no charge may be
11 collected unless a loan is made, except for reasonable fees properly
12 incurred in connection with the appraisal of property by a qualified,
13 independent, professional, third-party appraiser selected by the
14 borrower and approved by the lender or in the absence of borrower
15 selection, selected by the lender;

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

18 (5) Collect from the debtor reasonable attorneys' fees, actual
19 expenses, and costs incurred in connection with the collection of a
20 delinquent debt, a repossession, or a foreclosure when a debt is
21 referred for collection to an attorney who is not a salaried employee
22 of the licensee;

23 (6) Make open-end loans as provided in this chapter;

24 (7) Charge and collect a fee for dishonored checks in an amount
25 approved by the director; and

26 (8) In accordance with Title 48 RCW, sell insurance covering real
27 and personal property, covering the life or disability or both of the
28 borrower, and covering the involuntary unemployment of the borrower.

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