

HOUSE BILL ANALYSIS

HB 1430

Title: *An act relating to credit card late fees.*

Brief Description: *Restricting credit card late fees.*

Sponsors: *Representatives Sullivan, Lantz, Dunshee, Pennington and Keiser.*

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: February 4, 1999

Bill Analysis Prepared by: Charlie Gavigan (786-7340)

Background: Credit is regulated by both state and federal law. Except for the Retail Sales Installment Act, there are few state statutes that specifically regulate credit cards. State statutes that regulate credit in general may apply to credit cards, such as consumer protection provisions.

There are several federal provisions that regulate credit cards. For instance, federal law requires that credit card lenders provide certain disclosures to consumers and follow certain requirements when changing contract terms, and provides protection for consumers whose cards are lost or stolen. The federal statutes on credit cards generally do not preempt state laws on credit cards unless the state laws provide less consumer protection or unless they specifically contradict federal law.

Current law requires that some mailings be considered received on the date they are mailed as evidenced by the postmark. These include reports, claims, tax returns, payments, and other documents required to be filed with the state or any political subdivision.

Summary of Bill: A credit card company may not impose a late fee on the monthly payment of a Washington credit card holder when that payment is mailed on or before the due date.

Appropriation: None.

Fiscal Note: Not requested.

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

Rulemaking Authority: Not addressed.