

# **HOUSE BILL ANALYSIS**

## **HB 2054**

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***Title:*** *An act relating to the financing of goods by sellers of the goods.*

***Brief Description:*** *Regulating sellers who finance the goods they sell.*

***Sponsors:*** *Representatives Quall, Benson, Hatfield and Cairnes.*

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### ***HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE***

***Meeting Date:*** February 23, 1999

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

***Background:*** Retail installment contracts and retail credit cards are regulated by state law. These are transactions between a particular retailer and a consumer, such as a department store or automobile dealer installment contract or a department store credit card agreement. Retail installment contracts generally are required to provide certain disclosures, describe the contents of an installment contract, and prohibit certain practices related to installment contracts.

***Summary of Bill:*** The principal balance, which basically is the amount borrowed, can include amounts paid by the retailer to pay off a loan on similar goods that are traded in as part of the sale. The portion of the principal that is used to pay off the loan on a trade-in must be disclosed in the installment contract.

***Appropriation:*** None.

***Fiscal Note:*** Not requested.

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

***Rulemaking Authority:*** Not addressed.