
HOUSE BILL 1105

State of Washington

56th Legislature

1999 Regular Session

By Representatives Sullivan, Gombosky, Bush, Kastama, Murray, Conway, Morris, Kenney, Wolfe, Cairnes, Wood, Eickmeyer, Hurst, Tokuda, Stensen, Santos, O'Brien, Voloria, Lantz, Rockefeller, Kessler and D. Sommers

Read first time 01/14/1999. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to check cashers and sellers; and amending RCW
2 31.45.010 and 31.45.073.

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

4 **Sec. 1.** RCW 31.45.010 and 1995 c 18 s 1 are each amended to read
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Check casher" means an individual, partnership, unincorporated
9 association, or corporation that, for compensation, engages, in whole
10 or in part, in the business of cashing checks, drafts, money orders, or
11 other commercial paper serving the same purpose.

12 (2) "Check seller" means an individual, partnership, unincorporated
13 association, or corporation that, for compensation, engages, in whole
14 or in part, in the business of or selling checks, drafts, money orders,
15 or other commercial paper serving the same purpose.

16 (3) "Licensee" means a check casher or seller licensed by the
17 director to engage in business in accordance with this chapter. For
18 purposes of the enforcement powers of this chapter, including the power
19 to issue cease and desist orders under RCW 31.45.110, "licensee" also

1 means a check casher or seller who fails to obtain the license required
2 by this chapter.

3 (4) "Small loan" means a loan of up to (~~five~~) six hundred dollars
4 for a period of thirty-one days or less.

5 (5) "Director" means the director of financial institutions.

6 **Sec. 2.** RCW 31.45.073 and 1995 c 18 s 2 are each amended to read
7 as follows:

8 (1) No licensee may engage in the business of making small loans
9 without first obtaining a small loan endorsement to its license from
10 the director in accordance with this chapter. An endorsement will be
11 required for each location where a licensee engages in the business of
12 making small loans, but a small loan endorsement may authorize a
13 licensee to make small loans at a location different than the licensed
14 locations where it cashes or sells checks or drafts. A licensee may
15 have more than one endorsement.

16 (2) A licensee that has obtained the required small loan
17 endorsement may charge interest or fees for small loans not to exceed
18 in the aggregate (~~fifteen~~) ten percent of the principal amount
19 borrowed. The director may determine by rule which fees, if any, are
20 not subject to the fifteen percent limitation.

21 (3) In connection with making a small loan, a licensee may advance
22 moneys on the security of a postdated check or draft provided the time
23 period between the date the loan is granted and the date of the
24 postdated check does not exceed thirty-one days. A licensee shall
25 deposit all postdated checks or drafts as soon as practicable after the
26 date of the check or draft has passed.

27 (4) No person may at any time cash or advance any moneys on a
28 postdated check or draft in excess of the amount of goods or services
29 purchased without first obtaining a small loan endorsement to a check
30 casher or check seller license.

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