
HOUSE BILL 1566

State of Washington

56th Legislature

1999 Regular Session

By Representatives Miloscia, Hatfield, Voloria, Cairnes, Tokuda, Clements, Dunshee, Ogden, Thomas, Benson and McIntire

Read first time 01/28/1999. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to consumer credit card information; and adding new
2 sections to chapter 63.14 RCW.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) In one year an estimated 3.2 billion offers for consumer credit
6 will be mailed by financial institutions to potential consumers;

7 (b) Many of these offers have introductory rates that are as low as
8 three percent;

9 (c) Many consumers are not aware that these introductory rates rise
10 to as high as twenty-one percent within six months of issuance of the
11 credit card;

12 (d) Between 1996 and 1997, the amount of credit card debt was
13 estimated at three hundred ninety-four billion dollars;

14 (e) Many consumers are not aware that interest on credit card
15 purchases can start at the date of purchase, even before the credit
16 card company has paid the seller on behalf of the buyer;

17 (f) Many credit card companies charge annual fees exceeding fifty
18 dollars; and

1 (g) Many consumers are enticed by credit card offers that state
2 they merely need to pay two to three percent of their monthly balance,
3 unaware that charges to the unpaid balance accumulate and are added to
4 the unpaid balance.

5 (2) It is the intent of this act to attempt to educate consumers
6 regarding the dangers of excessive credit card debt and to increase
7 consumer awareness regarding credit card financing.

8 NEW SECTION. **Sec. 2.** (1) All issuers of credit cards to residents
9 within the state of Washington shall provide a sticker that informs the
10 consumer of the dangers of excessive credit card debt. The issuer
11 shall ensure that the notice appears on a removable sticker that is
12 affixed to the rear of the card, over the signature strip, and that the
13 sticker states the following:

14 **WARNING:** Failure to research interest rates and credit cards
15 may result in personal financial loss or possible bankruptcy.

16 (2) In addition to the required notice under subsection (1) of this
17 section, the issuer shall provide information to the consumer regarding
18 the personal financial impacts of excessive credit card use.

19 (3) For purposes of this section:

20 (a) "Credit card" means a card or device under a credit card
21 agreement pursuant to which the issuer gives to a cardholder residing
22 in this state the privilege of obtaining credit from the issuer or
23 other persons in purchasing or leasing property or services, obtaining
24 loans, or otherwise; and

25 (b) "Credit card agreement" means an agreement entered into or
26 performed in this state prescribing the terms of retail installment
27 transactions pursuant to which the issuer may, with the buyer's
28 consent, purchase or acquire one or more retail sellers' indebtedness
29 of the buyer under a sales slip or memorandum evidencing the purchase,
30 lease, loan, or otherwise to be paid in accordance with the agreement.

31 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act are each added
32 to chapter 63.14 RCW.

--- END ---