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HOUSE BILL 2349

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State of Washington

56th Legislature

2000 Regular Session

By Representatives Sullivan, O'Brien, McDonald, Kastama, Carrell, Miloscia, Lantz, Kenney, Edmonds, Clements, Wolfe, Conway, Hurst, Kessler and Santos

Read first time 01/11/2000. Referred to Committee on Financial Institutions & Insurance.

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

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

4 **Sec. 1.** RCW 31.45.073 and 1995 c 18 s 2 are each amended to read  
5 as follows:

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

14 (2)(a) A licensee that has obtained the required small loan  
15 endorsement may charge interest or fees for small loans not to exceed  
16 in the aggregate fifteen percent of the principal amount borrowed. The  
17 licensee shall disclose the amount charged under this subsection in  
18 writing as an annual percentage rate no later than the time the small  
19 loan is made. The director may determine by rule which fees, if any,

1 are not subject to the fifteen percent limitation. In addition, the  
2 director may adopt rules for disclosing the annual percentage rate  
3 under this subsection (2)(a), and shall adopt rules for disclosing the  
4 annual percentage rate under (b) of this subsection for consistency  
5 throughout the industry.

6 (b) A licensee shall disclose the annual percentage rate of a  
7 typical small loan in all advertising.

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

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

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