
SENATE BILL 6338

State of Washington 57th Legislature

2002 Regular Session

By Senators Keiser, Winsley, Gardner and Kohl-Welles

Read first time 01/16/2002. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to the consumer loan act; and amending RCW
2 31.04.102.

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

4 **Sec. 1.** RCW 31.04.102 and 2001 c 81 s 9 are each amended to read
5 as follows:

6 ~~((Within three business days following receipt of a loan
7 application, a))~~ (1) For all loans made by a licensee that are not
8 secured by a lien on real property, the licensee must make disclosures
9 in compliance with the truth in lending act, 15 U.S.C. Sec. 1601 and
10 regulation Z, 12 C.F.R. Sec. 226, and all other applicable federal laws
11 and regulations.

12 (2) For all loans made by a licensee that are secured by a lien on
13 real property, the licensee shall provide to each borrower within three
14 business days following receipt of a loan application a written
15 disclosure containing an itemized estimation and explanation of all
16 fees and costs that the borrower is required to pay in connection with
17 obtaining a loan from the licensee. A good faith estimate of a fee or
18 cost shall be provided if the exact amount of the fee or cost is not
19 available when the disclosure is provided. Disclosure in a form which

1 complies with the requirements of the truth in lending act, 15 U.S.C.
2 Sec. 1601 and regulation Z, 12 C.F.R. Sec. 226, the real estate
3 settlement procedures act and regulation X, 24 C.F.R. Sec. 3500, and
4 all other applicable federal laws and regulations, as now or hereafter
5 amended, shall be deemed to constitute compliance with ~~((the))~~ this
6 disclosure requirement~~((s of this section when it is provided to the~~
7 ~~borrower within three days of receipt of a loan application))~~. Each
8 licensee shall comply with all other applicable federal and state laws
9 and regulations.

10 (3) In addition, for all loans made by the licensee that are
11 secured by a lien on real property, the licensee must provide to the
12 borrower an estimate of the annual percentage rate on the loan and a
13 disclosure of whether or not the loan contains a prepayment penalty
14 within three days of receipt of a loan application. The annual
15 percentage rate must be calculated in compliance with the truth in
16 lending act, 15 U.S.C. Sec. 1601 and regulation Z, 12 C.F.R. Sec. 226.
17 If a licensee provides the borrower with a disclosure in compliance
18 with the requirements of the truth in lending act within three business
19 days of receipt of a loan application, then the licensee has complied
20 with this subsection. If the director determines that the federal
21 government has required a disclosure that substantially meets the
22 objectives of this subsection, then the director may make a
23 determination by rule that compliance with this federal disclosure
24 requirement constitutes compliance with this subsection.

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