

SENATE BILL REPORT

SB 5481

As of February 4, 2005

Title: An act relating to the extortionate extension of credit.

Brief Description: Prosecuting the extortionate extension of credit by check cashers and sellers.

Sponsors: Senators Fairley, Kline and Shin.

Brief History:

Committee Activity: Financial Institutions, Housing & Consumer Protection: 2/8/05.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

Staff: Joanne Conrad (786-7472)

Background: The Department of Financial Institutions (DFI) is responsible for the licensing and regulation of "Check cashiers and seller," including payday lenders. Part of their regulatory oversight includes taking various enforcement actions, including filing a statement of charges against a licensee or applicant who commits various violations or prohibited acts.

DFI also has the power to impose sanctions against a licensee or applicant, according to a statutory list of sanctions.

Summary of Bill: DFI's enforcement authority to take actions against licensees and applicants is broadened to include the option of prosecuting "extortionate extensions of credit," under Washington State's criminal profiteering act.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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