

# SENATE BILL REPORT

## SB 5486

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As Reported By Senate Committee On:  
Financial Institutions, Housing & Consumer Protection, February 16, 2005

**Title:** An act relating to lending by check cashers and sellers.

**Brief Description:** Regulating check cashers and sellers.

**Sponsors:** Senators Fairley, Kline and Rasmussen.

**Brief History:**

**Committee Activity:** Financial Institutions, Housing & Consumer Protection: 2/8/05, 2/16/05 [DPS].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

**Majority Report:** That Substitute Senate Bill No. 5486 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fairley, Chair; Berkey, Vice Chair; Benton, Ranking Minority Member; Benson, Brandland, Delvin, Franklin, Keiser, Prentice, Schmidt and Spanel.

**Staff:** Joanne Conrad (786-7472)

**Background:** Concern exists regarding the availability of payday loans on the internet, and the authority of Washington State to regulate the payday lending industry. Some believe that clarification about applicable law is necessary, to provide the ability to sanction, and to protect the legitimate activities of licensed payday lenders.

**Summary of Substitute Bill:** No payday lender is permitted to make a loan to any person in Washington State, including through use of the internet, facsimile, telephone, kiosk, or other remote means, without have a small loan endorsement on their license.

**Substitute Bill Compared to Original Bill:** The variety of means of making regulated payday loans is increased, from those made over the internet to those made with FAX, phone, kiosk, or other remote means.

**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.

**Testimony For:** Washington State should regulate internet lending, and should also consider protecting consumers by regulating lending by FAX.

**Testimony Against:** None.

**Who Testified:** PRO: Dennis Bassford, Moneytree; Robert Pregulman, WASHPIrg; Gary Gardner, BECU; Liz Kosse, Navy and Marine Relief Society; Bruce Nees, Columbia Legal Services; Lauren Maughon, AARP.

CON: None.