

SENATE BILL REPORT

SB 6737

As of January 30, 2006

Title: An act relating to military borrowers.

Brief Description: Modifying the laws regarding collection of small loan debt from military borrowers.

Sponsors: Senators Fairley, Mulliken, Haugen, Franklin and Rasmussen.

Brief History:

Committee Activity: Financial Institutions, Housing & Consumer Protection: 2/1/06.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

Staff: Joanne Conrad (786-7472)

Background: Many pay day loan businesses are located near military bases, and studies show that military personnel are a target market for pay day lending. Last Session, the Legislature enacted a law placing in statute the pay day loan industry's "military best practices." These practices include such things as refraining from contacting a military borrower's chain of command in an effort to collect a delinquent loan. The bill as passed in 2005 did not include spouses of military personnel in the definition of military borrower covered by the new law.

Summary of Bill: Pay day lenders shall not threaten to contact a military borrower's chain of command, either verbally or in writing. The definition of "military borrower" is expanded to include the spouse of an active duty member, national guard or reserve member called to active duty.

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.