

HB 1020 - DIGEST

Finds that consumers should be able to access loans at reasonable rates; no one should have to pay usurious interest rates. Paying the interest rates associated with payday loans can cause a borrower to need a loan to pay off their loan. By turning to payday loans again and again, the borrower can become trapped in a debt cycle.

Declares that the director of the department of financial institutions must ensure compliance with laws prohibiting rollovers by thorough and regular examinations and investigations. Violations of the prohibition on rollovers or other consumer protections by a licensee in chapter 31.45 RCW must be followed by timely and appropriate disciplinary actions.

Requires the director of the department of financial institutions to study the merits of implementing a real-time database that allows licensees to verify if a consumer has an outstanding small loan. The director shall study the cost of a database and the effectiveness of a database in limiting the possibility of an excessive number of contemporaneous loans. The director must provide the findings of this study to the committees of the legislature that address financial regulation no later than November 30, 2007. The director may include recommendations based upon the study.