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HOUSE BILL 1012

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State of Washington

54th Legislature

1995 Regular Session

By Representative L. Thomas

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1 AN ACT Relating to loans made by pawnbrokers; and amending RCW  
2 19.60.010, 19.60.060, and 19.60.061.

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

4 **Sec. 1.** RCW 19.60.010 and 1991 c 323 s 1 are each amended to read  
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in  
7 this section apply throughout this chapter.

8 (1) Melted metals means metals derived from metal junk or precious  
9 metals that have been reduced to a melted state from other than ore or  
10 ingots which are produced from ore that has not previously been  
11 processed.

12 (2) Metal junk means any metal that has previously been milled,  
13 shaped, stamped, or forged and that is no longer useful in its original  
14 form, except precious metals.

15 (3) Nonmetal junk means any nonmetal, commonly discarded item that  
16 is worn out, or has outlasted its usefulness as intended in its  
17 original form except nonmetal junk does not include an item made in a  
18 former period which has enhanced value because of its age.

1 (4) Pawnbroker means every person engaged, in whole or in part, in  
2 the business of loaning money on the security of pledges of personal  
3 property, or deposits or conditional sales of personal property, or the  
4 purchase or sale of personal property.

5 (5) Precious metals means gold, silver, and platinum.

6 (6) Second-hand dealer means every person engaged in whole or in  
7 part in the business of purchasing, selling, trading, consignment  
8 selling, or otherwise transferring for value, second-hand property  
9 including metal junk, melted metals, precious metals, whether or not  
10 the person maintains a fixed place of business within the state.  
11 Second-hand dealer also includes persons or entities conducting  
12 business at flea markets or swap meets, more than three times per year.

13 (7) Second-hand property means any item of personal property  
14 offered for sale which is not new, including metals in any form, except  
15 postage stamps, coins that are legal tender, bullion in the form of  
16 fabricated hallmarked bars, used books, and clothing of a resale value  
17 of seventy-five dollars or less, except furs.

18 (8) Transaction means a pledge, or the purchase of, or consignment  
19 of, or the trade of any item of personal property by a pawnbroker or a  
20 second-hand dealer from a member of the general public.

21 (9) ~~((Term of the loan as defined in this chapter shall be set for~~  
22 ~~a period of thirty days to include the date of the loan.))~~ "Loan  
23 period" means the period of time from the date the loan is made until  
24 the date the loan is paid off, the loan is in default, or the loan is  
25 refinanced and new loan documents are issued, including all grace or  
26 extension periods.

27 **Sec. 2.** RCW 19.60.060 and 1991 c 323 s 7 are each amended to read  
28 as follows:

29 All pawnbrokers are authorized to charge and receive interest and  
30 other fees at the following rates for money on the security of personal  
31 property actually received in pledge:

32 (1) The interest for the loan period shall not exceed:

33 (a) For an amount loaned up to \$ 9.99 - interest at \$1.00 for each  
34 thirty-day period to include the loan date.

35 (b) For an amount loaned from \$10.00 to \$19.99 - interest at the  
36 rate of \$1.25 for each thirty-day period to include the loan date.

37 (c) For an amount loaned from \$20.00 to \$24.99 - interest at the  
38 rate of \$1.50 for each thirty-day period to include the loan date.

- 1 (d) For an amount loaned from \$25.00 to \$34.99 - interest at the  
2 rate of \$1.75 for each thirty-day period to include the loan date.
- 3 (e) For an amount loaned from \$35.00 to \$39.99 - interest at the  
4 rate of \$2.00 for each thirty-day period to include the loan date.
- 5 (f) For an amount loaned from \$40.00 to \$49.99 - interest at the  
6 rate of \$2.25 for each thirty-day period to include the loan date.
- 7 (g) For the amount loaned from \$50.00 to \$59.99 - interest at the  
8 rate of \$2.50 for each thirty-day period to include the loan date.
- 9 (h) For the amount loaned from \$60.00 to \$69.99 - interest at the  
10 rate of \$2.75 for each thirty-day period to include the loan date.
- 11 (i) For the amount loaned from \$70.00 to \$79.99 - interest at the  
12 rate of \$3.00 for each thirty-day period to include the loan date.
- 13 (j) For the amount loaned from \$80.00 to \$89.99 - interest at the  
14 rate of \$3.25 for each thirty-day period to include the loan date.
- 15 (k) For the amount loaned from \$90.00 to \$99.99 - interest at the  
16 rate of \$3.50 for each thirty-day period to include the loan date.
- 17 (l) For the amount loaned from \$100.00 or more - interest at the  
18 rate of three percent for each thirty-day period to include the loan  
19 date.
- 20 (2) The fee for the preparation of loan documents, pledges, or  
21 reports required under the laws of the United States of America, the  
22 state of Washington, or the counties, cities, towns, or other political  
23 subdivisions thereof, shall not exceed:
- 24 (a) For the amount loaned up to \$4.99 - the sum of \$.50;  
25 (b) For the amount loaned from \$5.00 to \$9.99 - the sum of \$2.00;  
26 (c) For the amount loaned from \$10.00 to \$14.99 - the sum of \$3.00;  
27 (d) For the amount loaned from \$15.00 to \$19.99 - the sum of \$3.50.  
28 (e) For the amount loaned from \$20.00 to \$24.99 - the sum of \$4.00.  
29 (f) For the amount loaned from \$25.00 to \$29.99 - the sum of \$4.50.  
30 (g) For the amount loaned from \$30.00 to \$34.99 - the sum of \$5.00.  
31 (h) For the amount loaned from \$35.00 to \$39.99 - the sum of \$5.50.  
32 (i) For the amount loaned from \$40.00 to \$44.99 - the sum of \$6.00.  
33 (j) For the amount loaned from \$45.00 to \$49.99 - the sum of \$6.50.  
34 (k) For the amount loaned from \$50.00 to \$54.99 - the sum of \$7.00.  
35 (l) For the amount loaned from \$55.00 to \$59.99 - the sum of \$7.50.  
36 (m) For the amount loaned from \$60.00 to \$64.99 - the sum of \$8.00.  
37 (n) For the amount loaned from \$65.00 to \$69.99 - the sum of \$8.50.  
38 (o) For the amount loaned from \$70.00 to \$74.99 - the sum of \$9.00.  
39 (p) For the amount loaned from \$75.00 to \$79.99 - the sum of \$9.50.

1 (q) For the amount loaned from \$80.00 to \$84.99 - the sum of  
2 \$10.00.  
3 (r) For the amount loaned from \$85.00 to \$89.99 - the sum of  
4 \$10.50.  
5 (s) For the amount loaned from \$90.00 to \$94.99 - the sum of  
6 \$11.00.  
7 (t) For the amount loaned from \$95.00 to \$99.99 - the sum of  
8 \$11.50.  
9 (u) For the amount loaned from \$100.00 to \$104.99 - the sum of  
10 \$12.00.  
11 (v) For the amount loaned from \$105.00 to \$109.99 - the sum of  
12 \$12.25.  
13 (w) For the amount loaned from \$110.00 to \$114.99 - the sum of  
14 \$12.75.  
15 (x) For the amount loaned from \$115.00 to \$119.99 - the sum of  
16 \$13.25.  
17 (y) For the amount loaned from \$120.00 to \$124.99 - the sum of  
18 \$13.50.  
19 (z) For the amount loaned from \$125.00 to \$129.99 - the sum of  
20 \$13.75.  
21 (aa) For the amount loaned from \$130.00 to \$149.99 - the sum of  
22 \$14.50.  
23 (bb) For the amount loaned from \$150.00 to \$174.99 - the sum of  
24 \$14.75.  
25 (cc) For the amount loaned from \$175.00 to \$199.99 - the sum of  
26 \$15.00.  
27 (dd) For the amount loaned from \$200.00 to \$224.99 - the sum of  
28 \$16.00.  
29 (ee) For the amount loaned from \$225.00 to \$249.99 - the sum of  
30 \$17.00.  
31 (ff) For the amount loaned from \$250.00 to \$274.99 - the sum of  
32 \$18.00.  
33 (gg) For the amount loaned from \$275.00 to \$299.99 - the sum of  
34 \$19.00.  
35 (hh) For the amount loaned from \$300.00 to \$324.99 - the sum of  
36 \$20.00.  
37 (ii) For the amount loaned from \$325.00 to \$349.99 - the sum of  
38 \$21.00.

1 (jj) For the amount loaned from \$350.00 to \$374.99 - the sum of  
2 \$22.00.  
3 (kk) For the amount loaned from \$375.00 to \$399.99 - the sum of  
4 \$23.00.  
5 (ll) For the amount loaned from \$400.00 to \$424.99 - the sum of  
6 \$24.00.  
7 (mm) For the amount loaned from \$425.00 to \$449.99 - the sum of  
8 \$25.00.  
9 (nn) For the amount loaned from \$450.00 to \$474.99 - the sum of  
10 \$26.00.  
11 (oo) For the amount loaned from \$475.00 to \$499.99 - the sum of  
12 \$27.00.  
13 (pp) For the amount loaned from \$500.00 to \$524.99 - the sum of  
14 \$28.00.  
15 (qq) For the amount loaned from \$525.00 to \$549.99 - the sum of  
16 \$29.00.  
17 (rr) For the amount loaned from \$550.00 to \$599.99 - the sum of  
18 \$30.00.  
19 (ss) For the amount loaned from \$600.00 to \$699.99 - the sum of  
20 \$35.00.  
21 (tt) For the amount loaned from \$700.00 to \$799.99 - the sum of  
22 \$40.00.  
23 (uu) For the amount loaned from \$800.00 to \$899.99 - the sum of  
24 \$40.00.  
25 (vv) For the amount loaned from \$900.00 to \$999.99 - the sum of  
26 \$50.00.  
27 (ww) For the amount loaned from \$1000.00 to \$1499.99 - the sum of  
28 \$55.00.  
29 (xx) For the amount loaned from \$1500.00 to \$1999.99 - the sum of  
30 \$60.00.  
31 (yy) For the amount loaned from \$2000.00 to \$2499.99 - the sum of  
32 \$65.00.  
33 (zz) For the amount loaned from \$2500.00 to \$2999.99 - the sum of  
34 \$70.00.  
35 (aaa) For the amount loaned from \$3000.00 to \$3499.99 - the sum of  
36 \$75.00.  
37 (bbb) For the amount loaned from \$3500.00 to \$3999.99 - the sum of  
38 \$80.00.

1 (ccc) For the amount loaned from \$4000.00 to \$4499.99 - the sum of  
2 \$85.00.

3 (ddd) For the amount loaned from \$4500.00 or more - the sum of  
4 \$90.00.

5 (3) Fees under subsection (2) of this section may be charged one  
6 time only (~~during the term of the loan~~) for each loan period; no  
7 additional fees, other than interest allowed under subsection (1) of  
8 this section, shall be charged for making the loan.

9 A copy of this section, set in twelve point type or larger, shall  
10 be posted prominently in each premises subject to this chapter.

11 **Sec. 3.** RCW 19.60.061 and 1991 c 323 s 8 are each amended to read  
12 as follows:

13 (1) The term of the loan shall be for a period of thirty days to  
14 include the date of the loan.

15 (2) A pawnbroker shall not sell any property received in pledge,  
16 until both the term of the loan and a grace period of a minimum of  
17 sixty days has expired. However, if a pledged article is not redeemed  
18 within the ninety-day period of (~~both~~) the term of the loan and the  
19 grace period, the pawnbroker shall have all rights, title, and interest  
20 of that item of personal property. The pawnbroker shall not be  
21 required to account to the pledgor for the proceeds received from the  
22 disposition of that item. Any provision of law relating to the  
23 foreclosures and the subsequent sale of forfeited pledged items, shall  
24 not be applicable to any pledge as defined under this chapter, the  
25 title to which is transferred in accordance with this section.

26 (~~(2)~~) (3) Every loan transaction entered into by a pawnbroker  
27 shall be evidenced by a written document, a copy of which shall be  
28 furnished to the pledgor. The document shall set forth the term of the  
29 loan(~~(7)~~); the final date on which the loan is due and payable(~~(7)~~);  
30 the loan preparation fee; the amount of interest charged every thirty  
31 days; the total amount due including the principal amount, the  
32 preparation fee, and all interest charges due if the loan is  
33 outstanding for the full ninety days allowed by the term and minimum  
34 grace period; and the annual percentage rate, and shall inform the  
35 pledgor of the pledgor's right to redeem the pledge at any time within  
36 (~~sixty days after the expiration of the loan term~~) the term of the  
37 loan or the minimum sixty-day grace period.

1       (4) If a person who has entered into a loan transaction with a  
2 pawnbroker in this state is unable to redeem and repay the loan on or  
3 before the expiration of the term of the loan plus the minimum sixty-  
4 day grace period, and that person wishes to retain his or her rights to  
5 use that item by rewriting the loan, and if both parties mutually  
6 agree, an existing loan transaction may be rewritten into a new loan,  
7 either in person or by mail. All applicable provisions of this chapter  
8 shall be followed in rewriting a loan, except that where an existing  
9 loan is rewritten by mail RCW 19.60.020(1) (a) and (g) shall not apply.

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