
SENATE BILL 6413

State of Washington 57th Legislature

2002 Regular Session

By Senators Gardner, Prentice, Franklin, Winsley, Keiser, Rasmussen and Regala

Read first time 01/16/2002. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to late payment charges; and amending RCW
2 63.14.090.

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

4 **Sec. 1.** RCW 63.14.090 and 1993 c 481 s 1 are each amended to read
5 as follows:

6 (1) The holder of any retail installment contract, retail charge
7 agreement, or lender credit card agreement may not collect any
8 delinquency or collection charges, including any attorney's fee and
9 court costs and disbursements, unless the contract, charge agreement,
10 or lender credit card agreement so provides. In such cases, the
11 charges shall be reasonable, and no attorney's fee may be recovered
12 unless the contract, charge agreement, or lender credit card agreement
13 is referred for collection to an attorney not a salaried employee of
14 the holder.

15 (2) The contract, charge agreement, or lender credit card agreement
16 may contain other provisions not inconsistent with the purposes of this
17 chapter, including but not limited to provisions relating to
18 refinancing, transfer of the buyer's equity, construction permits, and
19 title reports.

1 (3)(a) Notwithstanding subsection (1) of this section, where the
2 minimum payment is received within the ten days following the payment
3 due date, delinquency charges for the late payment of a retail charge
4 agreement or lender credit card agreement may not be more than ten
5 percent of the average balance of the delinquent account for the prior
6 thirty-day period when the average balance of the account for the prior
7 thirty-day period is less than one hundred dollars, except that a
8 minimum charge of up to two dollars shall be allowed. This subsection
9 (3)(a) shall not apply in cases where the payment on the account is
10 more than thirty days overdue.

11 (b) In no cases may delinquency charges be assessed against a new
12 account's initial invoice until the account is forty-five days overdue.

13 (4)(a) In assessing delinquency charges, the holder of any retail
14 installment contract, retail charge agreement, or lender credit card
15 agreement must make reasonable allowances for disruption to the mail
16 service. If the postmark on the payment indicates it was mailed within
17 a reasonable time of the due date and the delay was due to a disruption
18 to the mail service, the delinquency charge must be removed from the
19 account.

20 (b) Delinquency charges for the late payment of a retail
21 installment contract, retail charge agreement, or lender credit card
22 agreement must be immediately removed from the account if the amount in
23 delinquency is disputed by the account holder. Such charges may not be
24 returned to the account until the dispute is resolved.

25 (c) Delinquency charges may not be assessed for the late payment or
26 nonpayment of delinquency charges.

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