
**Financial Institutions &
Insurance Committee**

HB 1901

Brief Description: Restricting the mailing of unsolicited credit cards.

Sponsors: Representatives Wallace, Hankins, Haigh, Dickerson, Hudgins, B. Sullivan, Lovick, Darneille and Chase.

Brief Summary of Bill

- Prohibits state-chartered financial institutions from mailing an unsolicited credit card that may be activated by a phone call to a prospective borrower.

Hearing Date:

Staff: Jon Hedegard (786-7127).

Background:

The Department of Financial Institutions (DFI) regulates a wide variety of financial service providers. The Division of Banks regulates commercial banks, stock savings banks, mutual savings banks, alien banks, savings and loan associations, and independent trust companies chartered in Washington State. The Division of Credit Unions regulates state-chartered credit unions licensed to operate in Washington State.

Current law does not regulate phone activation of credit cards.

Summary of Bill:

"Credit card" is defined as a "card, plate, booklet, credit card number, credit card account number, or other identifying symbol, instrument, or device that can be used to pay for, or to obtain, credit, goods, or services."

"Financial institution" is defined as a "bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits in this state under state law."

A financial institution may not mail an unsolicited credit card that may be activated by a phone call to a prospective borrower.

Financial institutions are not prohibited from:

- soliciting applications for credit cards from a prospective borrower; or
- mailing a credit card to a prospective borrower who has asked in writing for the credit card.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.