

CERTIFICATION OF ENROLLMENT

**SENATE BILL 6338**

Chapter 346, Laws of 2002

57th Legislature  
2002 Regular Session

CONSUMER LOAN ACT--LICENSEE DISCLOSURES

EFFECTIVE DATE: 6/13/02

Passed by the Senate February 19, 2002  
YEAS 47 NAYS 0

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Passed by the House March 6, 2002  
YEAS 93 NAYS 0

FRANK CHOPP

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**Speaker of the  
House of Representatives**

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6338** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK

\_\_\_\_\_  
**Secretary**

Approved April 3, 2002

FILED

April 3, 2002 - 10:54 a.m.

GARY LOCKE

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**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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SENATE BILL 6338

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Passed Legislature - 2002 Regular Session

State of Washington

57th Legislature

2002 Regular Session

By Senators Keiser, Winsley, Gardner and Kohl-Welles

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

1 AN ACT Relating to the consumer loan act; and amending RCW  
2 31.04.102.

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

4 **Sec. 1.** RCW 31.04.102 and 2001 c 81 s 9 are each amended to read  
5 as follows:

6 (~~Within three business days following receipt of a loan~~  
7 ~~application, a~~) (1) For all loans made by a licensee that are not  
8 secured by a lien on real property, the licensee must make disclosures  
9 in compliance with the truth in lending act, 15 U.S.C. Sec. 1601 and  
10 regulation Z, 12 C.F.R. Sec. 226, and all other applicable federal laws  
11 and regulations.

12 (2) For all loans made by a licensee that are secured by a lien on  
13 real property, the licensee shall provide to each borrower within three  
14 business days following receipt of a loan application a written  
15 disclosure containing an itemized estimation and explanation of all  
16 fees and costs that the borrower is required to pay in connection with  
17 obtaining a loan from the licensee. A good faith estimate of a fee or  
18 cost shall be provided if the exact amount of the fee or cost is not  
19 available when the disclosure is provided. Disclosure in a form which

1 complies with the requirements of the truth in lending act, 15 U.S.C.  
2 Sec. 1601 and regulation Z, 12 C.F.R. Sec. 226, the real estate  
3 settlement procedures act and regulation X, 24 C.F.R. Sec. 3500, and  
4 all other applicable federal laws and regulations, as now or hereafter  
5 amended, shall be deemed to constitute compliance with ~~((the))~~ this  
6 disclosure requirement~~((s of this section when it is provided to the~~  
7 ~~borrower within three days of receipt of a loan application))~~. Each  
8 licensee shall comply with all other applicable federal and state laws  
9 and regulations.

10 (3) In addition, for all loans made by the licensee that are  
11 secured by a lien on real property, the licensee must provide to the  
12 borrower an estimate of the annual percentage rate on the loan and a  
13 disclosure of whether or not the loan contains a prepayment penalty  
14 within three days of receipt of a loan application. The annual  
15 percentage rate must be calculated in compliance with the truth in  
16 lending act, 15 U.S.C. Sec. 1601 and regulation Z, 12 C.F.R. Sec. 226.  
17 If a licensee provides the borrower with a disclosure in compliance  
18 with the requirements of the truth in lending act within three business  
19 days of receipt of a loan application, then the licensee has complied  
20 with this subsection. If the director determines that the federal  
21 government has required a disclosure that substantially meets the  
22 objectives of this subsection, then the director may make a  
23 determination by rule that compliance with this federal disclosure  
24 requirement constitutes compliance with this subsection.

Passed the Senate February 19, 2002.

Passed the House March 6, 2002.

Approved by the Governor April 3, 2002.

Filed in Office of Secretary of State April 3, 2002.