

SSB 5968 - S AMD 558
By Senator Dozier

NOT ADOPTED 02/08/2024

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The department of financial
4 institutions shall conduct a study on home equity sharing agreements
5 that reviews the need for regulation along with potential
6 recommendations for future regulation or legislation. The study
7 shall:

8 (a) Include data and information on home equity sharing
9 agreements that provides an understanding of how these agreements are
10 being used, how many are being used, and who is using them;

11 (b) Review how home equity sharing agreements are advertised and
12 marketed to consumers;

13 (c) Identify a potential licensing structure for persons or
14 businesses that offer home equity sharing agreements;

15 (d) Review the disclosures and contracts provided to homeowners
16 who consider or enter into a home equity sharing agreement;

17 (e) Review how the home equity sharing agreement market currently
18 uses discounts, exchange ratios, or other mechanisms for embedded
19 returns;

20 (f) Identify the need for potential caps or limits on equity
21 returns;

22 (g) Identify the need for prohibiting certain practices related
23 to home equity sharing agreements; and

24 (h) Evaluate the potential impact to the home equity sharing
25 agreement market if potential regulations are implemented.

26 (2) The department of financial institutions shall consult with
27 members from the home equity sharing agreement industry, consumers,
28 and others as necessary to conduct the study and develop
29 recommendations.

30 (3) The department of financial institutions shall submit a
31 report to the appropriate committees of the legislature in accordance
32 with RCW 43.01.036 by December 1, 2024, with the department's

1 recommendations regarding regulations for the home equity sharing
2 agreement market.

3 (4) This section expires August 1, 2025."

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4 On page 1, line 2 of the title, after "act;" strike the remainder
5 of the title and insert "creating a new section; and providing an
6 expiration date."

EFFECT: Strikes everything in the underlying bill related to
regulating home equity sharing agreements as residential mortgage
loans under the consumer loan act and instead requires the department
of financial institutions to conduct a study on the need for
regulation and to make recommendations on regulating home equity
sharing agreements to the legislature by December 1, 2024.

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