



RULE-MAKING ORDER
(RCW 34.05.360)

CR-103 (10/1/89)

Agency: Department of General Administration, Division of Banking

- Permanent Rule
 Emergency Rule

(1) Date of adoption: July 27, 1993

(2) Purpose: To make the rule regarding restrictions as to charges for consumer loan companies consistent with changes in the statute passed by the 1993 legislature (amending RCW 31.04.105), Chapter 190, 1993 Session Laws, relating to allowable fees in connection with delinquent debts, repossession, and foreclosures.

(3) Citation of existing rules affected by this order:

- Repealed:
Amended: WAC 50-20-130
Suspended:

(4) Authority for adoption:

- Statute: RCW 31.04.165
Other Authority:

(5.1) PERMANENT RULE ONLY

Pursuant to notice filed as WSR 93-13-144 on June 23, 1993 (date).
Describe any changes other than editing from proposed to adopted version: n/a

(5.2) EMERGENCY RULE ONLY

Pursuant to RCW 34.05.350 the agency for good cause finds:

- (a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
 (b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

(5.3) Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes No If yes, explain:

(6) Effective date of rule:

Permanent Rules

- 31 days after filing
 Other (specify) _____*

Emergency Rules

- Immediately
 Later (specify) _____

* (If less than 31 days after filing, specific finding in 5.3 under RCW 34.05.380(3) is required)

CODE REVISER USE ONLY

CODE REVISER'S OFFICE
STATE OF WASHINGTON

JUL 27 1993

TIME: 11:02
WSR: CB 16-033

NAME (TYPE OR PRINT)

John L. Bley

SIGNATURE

Supervisor of Banking

DATE

7/27/93

AMENDATORY SECTION (Amending WSR 91-22-035, filed 10/30/91, effective 1/1/92)

WAC 50-20-130 Restrictions as to charges. (1) No licensee shall charge or collect from the borrower any funds for the cost of filing, recording, releasing, or reconveyance of mortgages, deeds of trust, security agreements, or other documents, or for transferring title certificates to vehicles, or for any other fees paid or to be paid to public officials, unless such charges are paid or are to be paid within one hundred eighty days by the licensee to public officials or other third parties for such filing, recording, transferring, releasing, or reconveyance thereof. Fees for releasing or reconveying security for the obligation owed to the licensee may be charged and collected at the time of final payment of the loan.

(2) No licensee may charge and collect an annual fee in excess of thirty-five dollars payable each year in advance for the privilege of opening and maintaining an open-end loan account.

(3) No licensee may charge or collect a fee in excess of twenty-five dollars for a check returned unpaid by the bank drawn upon. Only one fee may be collected with respect to a particular check in the event it has been redeposited and returned a second time.

(4) No licensee may charge or collect an appraisal fee incurred or to be incurred in appraising security offered by the borrower in excess of the actual costs paid or to be paid to an independent third party professional appraiser. Such charge may be made or collected from the borrower for costs of an appraisal at the time of application for the loan or at any time thereafter except as prohibited herein. If the appraisal fee is not collected at the time of the application, the licensee's good faith estimate of that fee shall be given to the borrower at the time of the application.

(5) A licensee may agree with the borrower for the payment by the borrower of the fees charged by a title company in connection with title insurance required by the licensee in connection with a loan. The borrower has the right to select the person or company by or through whom such title insurance will be offered, subject to the licensee's reasonable conditions, such as type of coverage or endorsements, or financial soundness and proper licensing of the company to do business in the state of Washington. The licensee may select the person or company by or through whom such title insurance will be offered if the borrower does not do so within a reasonable time before the loan transaction is consummated.

(6) A licensee may include the premiums for noncredit insurance in the principal amount of the loan, provided that purchase of the insurance is not required to obtain a loan and that this fact is disclosed to the borrower in writing.

(7) In the event a licensee makes a new loan where any part of the proceeds is used to pay the amount due it on an existing loan within four months from date of origination or of the most recent advance upon an existing loan, an origination fee shall be

permitted only to the extent that new money is advanced or the existing credit line increased, unless the origination fee on the existing loan is refunded.

(8) A licensee may not collect a prepayment penalty except as preempted by federal law.

~~((9) A licensee may not collect fees related to foreclosure or repossession except for reasonable costs incurred relating to post judgment collections or as preempted under federal law.))~~