
SENATE BILL 5432

State of Washington

53rd Legislature

1993 Regular Session

By Senators Pelz, Prentice, Moore, Franklin, Bauer, Wojahn, Fraser and Skratek

Read first time 01/27/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to a study of discrimination based on race and
2 national origin in mortgage lending; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** The federal home mortgage disclosure act has
5 recently required depository institutions to analyze and make available
6 first-time loan and rejection rates by race, national origin, and
7 income, among other factors. According to these data, some depository
8 institutions operating in Washington state have rejected a
9 disproportionate number of mortgage applications from minorities, even
10 when income is taken into account. With this study, the legislature
11 intends to support the lending institutions in their attempts to remedy
12 this problem.

13 NEW SECTION. **Sec. 2.** The department of general administration
14 shall perform a study of the problem of discrimination based on race
15 and national origin in home mortgage lending after 1990. The study
16 must address the nature of the problem and why it is occurring, what
17 depository institutions around the country and in this state are doing
18 to solve the problem, and suggest what depository institutions

1 operating in this state could do to solve the problem. The department
2 of general administration shall report the results of the study to the
3 committees on financial institutions and insurance of the house of
4 representatives and the committee on labor and commerce of the senate
5 by December 1, 1993. For purposes of this section, the term
6 "depository institution" means a commercial bank, savings bank, savings
7 and loan association, building and loan association, homestead
8 association including cooperative banks, or credit union that makes
9 federally related mortgage loans as determined by the federal reserve
10 board, mortgage banking subsidiary of a bank holding company or savings
11 and loan holding company, or savings and loan service corporation that
12 originates or purchases loans.

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