

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5406

Chapter 249, Laws of 1995

54th Legislature
1995 Regular Session

MARKET INTEREST RATES--CONSUMER CREDIT TRANSACTIONS

EFFECTIVE DATE: 5/5/95

Passed by the Senate April 19, 1995
YEAS 41 NAYS 3

JOEL PRITCHARD

President of the Senate

Passed by the House April 4, 1995
YEAS 94 NAYS 2

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved May 5, 1995

MIKE LOWRY

Governor of the State of Washington

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5406** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MARTY BROWN

Secretary

FILED

May 5, 1995 - 10:19 a.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5406

AS AMENDED BY THE HOUSE

Passed Legislature - 1995 Regular Session

State of Washington 54th Legislature 1995 Regular Session

By Senate Committee on Financial Institutions & Housing (originally sponsored by Senators Prentice, Sellar and C. Anderson)

Read first time 02/23/95.

1 AN ACT Relating to continuing market interest rates for consumer
2 credit transactions; adding a new section to chapter 63.14 RCW;
3 creating new sections; repealing RCW 63.14.135; repealing 1992 c 193 s
4 4 (uncodified); and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The following acts or parts of acts are each
7 repealed:

8 (1) 1992 c 193 s 4 (uncodified); and

9 (2) RCW 63.14.135 and 1992 c 193 s 2, 1989 c 112 s 2, 1988 c 72 s
10 1, & 1986 c 60 s 2.

11 NEW SECTION. **Sec. 2.** This act applies prospectively only and not
12 retroactively. It applies only to retail installment transactions
13 entered into on or after the effective date of this act.

14 NEW SECTION. **Sec. 3.** The repeals in section 1 of this act shall
15 not be construed as affecting any existing right acquired or liability
16 or obligation incurred under the statutes repealed or under any rule or

1 order adopted pursuant to those statutes; nor as affecting any
2 proceeding instituted under them.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 63.14 RCW
4 to read as follows:

5 (1) With respect to a retail installment transaction, as defined in
6 RCW 63.14.010(8), if the court as a matter of law finds the agreement
7 or contract, or any clause in the agreement or contract, to have been
8 unconscionable at the time it was made, the court may refuse to enforce
9 the agreement or contract, may enforce the remainder of the agreement
10 or contract, or may limit the application of any unconscionable clause
11 to avoid an unconscionable result.

12 (2) If it is claimed or it appears to the court that the agreement
13 or contract, or any clause in the agreement or contract, may be
14 unconscionable, the parties shall be given a reasonable opportunity to
15 present evidence as to its setting, purpose, and effect to assist the
16 court in making a determination regarding unconscionability.

17 (3) For the purpose of this section, a charge or practice expressly
18 permitted by this chapter is not in itself unconscionable.

19 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of the
21 state government and its existing public institutions, and shall take
22 effect immediately.

Passed the Senate April 19, 1995.

Passed the House April 4, 1995.

Approved by the Governor May 5, 1995.

Filed in Office of Secretary of State May 5, 1995.