

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2321**

Chapter 28, Laws of 1998

55th Legislature  
1998 Regular Session

CONSUMER LOANS--COLLECTION OF THIRD-PARTY FEES

EFFECTIVE DATE: 6/11/98

Passed by the House January 26, 1998  
Yeas 97 Nays 0

CLYDE BALLARD  
**Speaker of the  
House of Representatives**

Passed by the Senate March 2, 1998  
Yeas 46 Nays 0

IRV NEWHOUSE  
**President of the Senate**

Approved March 12, 1998

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2321** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN  
**Chief Clerk**

FILED

March 12, 1998 - 4:05 p.m.

**Secretary of State  
State of Washington**

---

**SUBSTITUTE HOUSE BILL 2321**

---

Passed Legislature - 1998 Regular Session

**State of Washington**

**55th Legislature**

**1998 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Smith and Wolfe)

Read first time 01/15/98. Referred to Committee on .

1       AN ACT Relating to authorizing the collection of third-party fees  
2 in connection with making consumer loans; and amending RCW 31.04.105.

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

4       **Sec. 1.** RCW 31.04.105 and 1994 c 92 s 167 are each amended to read  
5 as follows:

6       Every licensee may:

7       (1) Lend money at a rate that does not exceed twenty-five percent  
8 per annum as determined by the simple interest method of calculating  
9 interest owed;

10       (2) In connection with the making of a loan, charge the borrower a  
11 nonrefundable, prepaid, loan origination fee not to exceed four percent  
12 of the first twenty thousand dollars and two percent thereafter of the  
13 principal amount of the loan advanced to or for the direct benefit of  
14 the borrower, which fee may be included in the principal balance of the  
15 loan;

16       (3) Agree with the borrower for the payment of fees (~~for title~~  
17 ~~insurance, appraisals, recording, reconveyance, and releasing~~) to  
18 third parties other than the licensee who provide goods or services to  
19 the licensee in connection with the preparation of the borrower's loan,

1 including, but not limited to, credit reporting agencies, title  
2 companies, appraisers, structural and pest inspectors, and escrow  
3 companies, when such fees are actually paid by the licensee to a third  
4 party for such services or purposes and may include such fees in the  
5 amount of the loan. However, no charge may be collected unless a loan  
6 is made, except for reasonable fees properly incurred in connection  
7 with the appraisal of property by a qualified, independent,  
8 professional, third-party appraiser selected by the borrower and  
9 approved by the lender or in the absence of borrower selection,  
10 selected by the lender;

11 (4) Charge and collect a penalty of ten cents or less on each  
12 dollar of any installment payment delinquent ten days or more;

13 (5) Collect from the debtor reasonable attorneys' fees, actual  
14 expenses, and costs incurred in connection with the collection of a  
15 delinquent debt, a repossession, or a foreclosure when a debt is  
16 referred for collection to an attorney who is not a salaried employee  
17 of the licensee;

18 (6) Make open-end loans as provided in this chapter;

19 (7) Charge and collect a fee for dishonored checks in an amount  
20 approved by the director; and

21 (8) In accordance with Title 48 RCW, sell insurance covering real  
22 and personal property, covering the life or disability or both of the  
23 borrower, and covering the involuntary unemployment of the borrower.

Passed the House January 26, 1998.

Passed the Senate March 2, 1998.

Approved by the Governor March 12, 1998.

Filed in Office of Secretary of State March 12, 1998.