
HOUSE BILL 2360

State of Washington 59th Legislature 2006 Regular Session

By Representatives Appleton, Moeller, Morrell, Lantz, Darneille,
McIntire and Green

Prefiled 12/22/2005. Read first time 01/09/2006. Referred to
Committee on Financial Institutions & Insurance.

1 AN ACT Relating to studying small loans; and creating a new
2 section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that there is
5 inadequate information to determine the fairness or reasonableness of
6 fees and interest associated with small loans, also known as payday
7 loans.

8 The director of the department of financial institutions shall
9 study the economics and business models associated with small loans and
10 report the findings to the legislature. In the report, the director
11 must determine the break-even point of small loans, which is the amount
12 of fees or interest necessary to enable lenders to cover their costs of
13 doing business. The director may also examine other issues related to
14 small loans and include those issues in the report. The director may
15 include recommendations based upon the findings in the report. The
16 report must be submitted to the legislature by November 30, 2006.

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