

---

**SUBSTITUTE HOUSE BILL 2081**

---

**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** House Consumer Protection & Business (originally sponsored by Representatives Hackney, Walen, Taylor, Reeves, Leavitt, Gregerson, Orwall, Reed, Berry, Callan, Macri, and Chopp)

READ FIRST TIME 01/31/24.

1 AN ACT Relating to regulating home equity sharing agreements  
2 under the consumer loan act; creating a new section; and providing an  
3 expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The department of financial  
6 institutions shall conduct a study on home equity sharing agreements  
7 that reviews the need for regulation along with potential  
8 recommendations for future regulation or legislation. The study  
9 shall:

10 (a) Include data and information on home equity sharing  
11 agreements that provides an understanding of how these agreements are  
12 being used, how many are being used, and who is using them;

13 (b) Review how home equity sharing agreements are advertised and  
14 marketed to consumers;

15 (c) Identify a potential licensing structure for persons or  
16 businesses that offer home equity sharing agreements;

17 (d) Review the disclosures and contracts provided to homeowners  
18 who consider or enter into a home equity sharing agreement;

19 (e) Review how the home equity sharing agreement market currently  
20 uses discounts, exchange ratios, or other mechanisms for embedded  
21 returns;

1           (f) Identify the need for potential caps or limits on equity  
2 returns;

3           (g) Identify the need for prohibiting certain practices related  
4 to home equity sharing agreements; and

5           (h) Evaluate the potential impact to the home equity sharing  
6 agreement market if potential regulations are implemented.

7           (2) The department of financial institutions shall consult with  
8 members from the home equity sharing agreement industry, consumers,  
9 and others as necessary to conduct the study and develop  
10 recommendations.

11           (3) The department of financial institutions shall submit a  
12 report to the appropriate committees of the legislature in accordance  
13 with RCW 43.01.036 by December 1, 2024, with the department's  
14 recommendations regarding regulations for the home equity sharing  
15 agreement market.

16           (4) This section expires August 1, 2025.

--- END ---