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SENATE BILL 5382

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State of Washington

53rd Legislature

1993 Regular Session

By Senators Vognild and Amondson

Read first time 01/26/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to the collection of allowable fees in connection  
2 with delinquent debts, repossessions, and foreclosures; and amending  
3 RCW 31.04.105.

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

5 **Sec. 1.** RCW 31.04.105 and 1991 c 208 s 11 are each amended to read  
6 as follows:

7 Every licensee may:

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

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

17 (3) Agree with the borrower for the payment of fees for title  
18 insurance, appraisals, recording, reconveyance, and releasing when such  
19 fees are actually paid by the licensee to a third party for such

1 services or purposes and may include such fees in the amount of the  
2 loan. However, no charge may be collected unless a loan is made,  
3 except for reasonable fees properly incurred in connection with the  
4 appraisal of property by a qualified, independent, professional, third-  
5 party appraiser selected by the borrower and approved by the lender or  
6 in the absence of borrower selection, selected by the lender;

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

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

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

15 ~~((+6))~~ (7) Charge and collect a fee for dishonored checks in an  
16 amount approved by the supervisor; and

17 ~~((+7))~~ (8) In accordance with Title 48 RCW, sell insurance  
18 covering real and personal property, covering the life or disability or  
19 both of the borrower, and covering the involuntary unemployment of the  
20 borrower.

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