

FINAL BILL REPORT

SHB 2321

C 28 L 98

Synopsis as Enacted

Brief Description: Allowing consumer loan companies to charge borrowers fees for services provided by third parties.

Sponsors: Representatives L. Thomas, Smith and Wolfe.

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Insurance & Housing

Background: Consumer loan companies may charge interest rates up to 25 percent per year. Consumer loan companies may charge the borrower for fees they incur for title insurance, appraisals, recording, reconveyance, and releasing in connection with preparing the borrower's loan. If the consumer loan company does not make the loan, it may only charge the borrower for the appraisal fee.

Summary: The restriction on the types of expenses a consumer loan company may charge the borrower is removed. Instead of being limited to fees incurred for title insurance, appraisals, recording, reconveyance and releasing, a consumer loan company may charge the borrower for any fees it pays to third parties in connection with preparing the borrower's loan. A consumer loan company is still limited to recovering the appraisal fee if it does not make the loan.

Votes on Final Passage:

House 97 0

Senate 46 0

Effective: June 11, 1998