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HOUSE BILL 1405

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State of Washington

62nd Legislature

2011 Regular Session

By Representatives Kirby, Kelley, Ladenburg, Darneille, Ryu, Stanford, and Jinkins

Read first time 01/20/11. Referred to Committee on Community Development & Housing.

1 AN ACT Relating to loans made under the consumer loan act; and  
2 reenacting and amending RCW 31.04.025.

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

4 **Sec. 1.** RCW 31.04.025 and 2009 c 311 s 1 and 2009 c 120 s 3 are  
5 each reenacted and amended to read as follows:

6 (1) Each loan made to a resident of this state by a licensee, or  
7 persons subject to this chapter, is subject to the authority and  
8 restrictions of this chapter, unless such loan is made under the  
9 authority of chapter 63.14 RCW.

10 (2) This chapter does not apply to the following:

11 (a) Any person doing business under, and as permitted by, any law  
12 of this state or of the United States relating to banks, savings banks,  
13 trust companies, savings and loan or building and loan associations, or  
14 credit unions;

15 (b) Entities making loans under chapter 19.60 RCW (pawnbroking);

16 (c) Entities making loans under chapter 63.14 RCW (retail  
17 installment sales of goods and services);

18 (d) Entities making loans under chapter 31.45 RCW (check cashers  
19 and sellers);

1 (e) Any person making (~~loans~~) a loan primarily for business,  
2 commercial, or agricultural purposes(~~or~~) unless the loan is secured  
3 by a lien on the borrower's primary residence;

4 (f) Any person making loans made to government or government  
5 agencies or instrumentalities(~~r~~) or making loans to organizations as  
6 defined in the federal truth in lending act;

7 (~~f~~) (g) Entities making loans under chapter 43.185 RCW (housing  
8 trust fund);

9 (~~g~~) (h) Entities making loans under programs of the United  
10 States department of agriculture, department of housing and urban  
11 development, or other federal government program that provides funding  
12 or access to funding for single-family housing developments or grants  
13 to low-income individuals for the purchase or repair of single-family  
14 housing; (~~and~~

15 ~~h~~) (i) Nonprofit housing organizations making loans, or loans  
16 made, under housing programs that are funded in whole or in part by  
17 federal or state programs if the primary purpose of the programs is to  
18 assist low-income borrowers with purchasing or repairing housing or the  
19 development of housing for low-income Washington state residents; and

20 (j) Entities making loans which are not residential mortgage loans  
21 under a credit card plan.

22 (3) The director may, at his or her discretion, waive applicability  
23 of the consumer loan company licensing provisions of this chapter to  
24 other persons, not including individuals subject to the S.A.F.E. act,  
25 making loans when the director determines it necessary to facilitate  
26 commerce and protect consumers. The director may adopt rules  
27 interpreting this section.

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