Chapter 208-630 WAC
REGULATION OF CHECK CASHERS AND SELLERS AND SMALL LOANS (PAYDAY LENDERS)

(Formerly chapter 50-30 WAC)

Last Update: 1/28/25

WAC

208-630-110 What definitions are required to understand these rules?

LICENSING REQUIREMENTS

208-630-120 What does a business have to do to operate as a check casher and seller or to make small loans as a payday lender?
208-630-130 How does a business apply for a check casher's or seller's license or a small loan endorsement to a check casher's or seller's license?
208-630-135 What must I do to be authorized to offer small loan agent services?
208-630-136 If I am licensed to provide small loan agent services, what activities may I engage in?
208-630-137 What disclosures must I provide when conducting business pursuant to a small loan agent services license?
208-630-138 What laws govern my conduct as a small loan agent licensee?
208-630-140 Once a business finishes the application process, when does the director issue a license?
208-630-150 When does the license expire?
208-630-155 May I conduct my business from more than one location?
208-630-160 Does each location where a licensee makes small loans have to have a small loan endorsement?
208-630-170 Where may a licensee make small loans?
208-630-180 Is there a bond requirement for my license?
208-630-190 What type of bond is necessary and what are the conditions?
208-630-200 How is a bond canceled?
208-630-210 What is the liability of the surety under the bond?
208-630-220 Who may make claims against the bond?
208-630-230 What must I do if there are claims against the bond?
208-630-240 What is the amount of bond needed for licensees engaging only in check selling?
208-630-250 What is the amount of bond needed if a licensee has a small loan endorsement?
208-630-260 Do I have any alternative to maintaining a surety bond?
208-630-270 When and under what circumstances may the director have access to the criminal history of an applicant or licensee, or controlling person?

LICENSING FEES

208-630-280 Does a licensee have to pay a fee for a license application?
208-630-290 How much are the fees for various license applications, and when does a licensee pay them?
208-630-300 What happens if a licensee pays a lump sum payment in advance, and there is a surplus or deficiency in the application deposit?
208-630-310 Is the licensee's deposit fee refundable?

EXAMINATION AND INVESTIGATION

208-630-320 What examination authority does the director have?
208-630-330 May the director accept other reports in lieu of an examination?
208-630-340 What should a licensee expect the director to review during an examination?
208-630-350 Who pays for the costs of an examination?
208-630-360 When may the director conduct an investigation?
208-630-370 What powers does the director have during an investigation?
208-630-380 What are the fees for an investigation?
208-630-390 May the director hire other specialists to assist with examinations and investigations, and who will pay for them?

ANNUAL ASSESSMENTS

208-630-400 Once licensed, what fees must a licensee pay to keep a license current?
208-630-420 How can a license be reinstated after it expires?
208-630-450 When may the director waive fees?

SMALL LOAN REQUIREMENTS
(PAYDAY LENDING)

208-630-461 What is the maximum amount that all licensees may lend to a borrower?
208-630-462 What documentation is acceptable as proof of the borrower's gross monthly income?
208-630-463 What is the maximum number of small loans that may be made to a single borrower in any twelve-month period?
208-630-464 What documentation is acceptable as proof of the borrower's identity?
208-630-466 What fees can I charge on a small loan?
208-630-470 What types of information must a licensee include on a borrower's application for a small loan?
208-630-480 How must a licensee maintain customer small loan applications?
208-630-490 What information must the note or small loan agreement contain?
208-630-500 When must a licensee provide a note or small loan agreement to the borrower?
208-630-501 How must I determine the due date on the loan?
208-630-505 What process must I follow when a borrower pays off a small loan, or makes a payment toward an installment plan, with cash?
208-630-506 What are my obligations if the borrower notifies me that he or she will be or is unable to pay the small loan on time?
208-630-510 When does a borrower have a right to enter into an installment plan?
208-630-520 If a borrower and licensee enter into an installment plan, what are the terms of the installment plan?

208-630-530 If a borrower and licensee enter into an installment plan, how must the payments be structured?
208-630-531 May I charge any fees if a borrower decides to convert their loan to an installment plan?
208-630-532 May I make a small loan to a borrower who is in default on another small loan?
208-630-533 May I make a small loan to a borrower who is in an installment plan?
208-630-5401 What duties and restrictions must a licensee comply with when making loans to military borrowers?
208-630-542 What fees may I charge or collect when a borrower defaults on a small loan?
208-630-543 What are the specifications required of the communication log in RCW 31.45.082(4)?
208-630-544 May I allow a borrower to refinance a small loan with another small loan?
208-630-545 How do I use a trade name when conducting business?
208-630-546 What is the limit on the number of checks I may hold from one borrower?
208-630-547 May I continue to hold the borrower's original check or ACH authorization once the borrower has converted the loan to an installment plan?
208-630-548 May I hold postdated checks for the installment plan payments?
208-630-549 May I charge the borrower additional fees if the borrower defaults on an installment plan?
208-630-551 May I charge a fee to cash monetary instruments I issue as proceeds of a small loan?
208-630-555 What is the purpose of the database?
208-630-556 How do I use the database system for small loan transactions?
208-630-560 What disclosures must I make to a borrower?
208-630-570 What must be included in the disclosure referred to in WAC 208-630-560(2)?
208-630-580 In addition to providing disclosures to the borrower, must I post any disclosures?
208-630-590 How must I format disclosures?
208-630-600 What documentation must a licensee keep to show that the licensee has made the proper disclosures?
208-630-601 Must I provide any information about the changes to the law to borrowers?
208-630-605 Must I maintain a business resumption plan?
208-630-606 Must I have a policy that deals with records disposal?

REQUIREMENTS FOR ALL LICENSEES

208-630-610 What accounting and financial records must I keep?
208-630-620 In what form must a licensee maintain accounting and financial records?
208-630-630 May the director ask a licensee for records regarding the previous day's transactions?
208-630-640 What specific accounting records must a licensee maintain?
208-630-650 May a licensee maintain a consolidated general ledger if the licensee has two or more locations?
208-630-660 What must a licensee have in employees' personnel files?
208-630-670 If I have a small loan endorsement on my license, what information must I keep in every loan file?
208-630-680 Are there specific banking requirements for check sellers?
208-630-690 When must a check casher deposit a monetary instrument?
208-630-700 When may I deposit a monetary instrument accepted in the course of making a small loan?
208-630-710 What other federal and state laws and regulations must a licensee comply with?
208-630-712 When must a licensee obtain identifying information about its customers?
208-630-715 What are the minimum requirements of an information security program required by the Federal Safeguards Rule implementing the Gramm-Leach-Bliley Act?
208-630-716 What are the minimum requirements for Consumer Financial Information Privacy under the Gramm-Leach-Bliley Act (Regulation P)?
208-630-717 Must a licensee provide notice to consumers if its data is compromised?
208-630-720 Is a licensee required to register as a money service business with the Secretary of the Treasury?
208-630-721 If a licensee is considered a money service business (MSB) under the Bank Secrecy Act (see WAC 208-630-720), what are the minimum requirements for the anti-money laundering program the licensee must develop?
208-630-730 What records and actions does a licensee need to take to assure the licensee is correctly reporting under the Bank Secrecy Act?
208-630-740 What obligation do I have to assure that employees comply with the laws and rules regarding payday lending and check cashing and selling?

PROHIBITED PRACTICES

208-630-8201 What business practices are prohibited?

REPORTING REQUIREMENTS

208-630-830 What are my annual reporting requirements?
208-630-8301 What happens if I am late filing the annual reports and paying the annual assessment?
208-630-835 When must I inform the director of significant changes in my business?
208-630-836 When ceasing my small loan business, what information must I file before I close the business?
208-630-840 Who may a licensee hire to prepare the financial statements in the annual report?
208-630-880 As a check seller what must I report when my license is surrendered or revoked?
208-630-890 If I am not a check seller what must I report when my license is surrendered or revoked?
208-630-910 May I request an extension of time to comply with the reporting requirements?
208-630-920 Under what circumstances would a licensee submit unaudited financial statements to the director?
208-630-930 When may the director reject financial statements and other reports submitted to the director by the licensee?
208-630-940 How much time does a licensee have to correct the deficiency in financial statements or other reports?
208-630-950 What trust accounting requirements must a I comply with?

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

208-630-005 Definitions. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, codified as § 208-630-005, filed 1/12/96, effective 2/12/96.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-010 Application deposit fee. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-010, filed 1/12/96, effective 2/12/96. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-010, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-015 Examinations. [Statutory Authority: RCW 43.320.040, 31.45.090 and 31.45.200. WSR 99-22-048, § 208-630-015, filed 10/29/99, effective 11/29/99. Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, codified as § 208-630-015, filed 1/12/96, effective 2/12/96.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-020 Schedule of fees paid by licensees and applicants. [Statutory Authority: RCW 42.320.040 and 31.45.200. WSR 97-09-035, § 208-630-020, filed 4/11/97, effective 5/12/97. Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-020, filed 1/12/96, effective 2/12/96. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-020, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-021 Application review and investigation fee. [Statutory Authority: RCW 18.44.410, 19.146.223, 19.146.225, 19.146.265, 31.04.165, 31.45.200. WSR 01-12-029, § 208-630-021, filed 5/29/01, effective 7/1/01. Statutory Authority: RCW 42.320.040 and 31.45.200. WSR 97-09-035, § 208-630-021, filed 4/11/97, effective 5/12/97.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-022 Annual assessment charge. [Statutory Authority: RCW 18.44.410, 19.146.223, 19.146.225, 19.146.265, 31.04.165, 31.45.200. WSR 01-12-029, § 208-630-022, filed 5/29/01, effective 7/1/01. Statutory Authority: RCW 42.320.040 and 31.45.200. WSR 97-09-035, § 208-630-022, filed 4/11/97, effective 5/12/97.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-023 Examination fees. [Statutory Authority: RCW 18.44.410, 19.146.223, 19.146.225, 19.146.265, 31.04.165, 31.45.200. WSR 01-12-029, § 208-630-023, filed 5/29/01, effective 7/1/01. Statutory Authority: RCW 42.320.040 and 31.45.200. WSR 97-09-035, § 208-630-023, filed 4/11/97, effective 5/12/97.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-02303 Fee increase. [Statutory Authority: RCW 18.44.410, 19.146.223, 19.146.225, 19.146.265, 31.04.165, 31.45.200. WSR 01-12-029, § 208-630-02303, filed 5/29/01, effective 7/1/01.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-02305 Waiver of fees. [Statutory Authority: RCW 18.44.410, 19.146.223, 19.146.225, 19.146.265, 31.04.165, 31.45.200. WSR 01-12-029, § 208-630-02305, filed 5/29/01, effective 7/1/01.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-025 Application for small loan endorsement to a check casher or check seller license. [Statutory Authority: RCW 43.320.040, 31.45.090 and 31.45.200. WSR 99-22-048, § 208-630-025, filed 10/29/99, effective 11/29/99. Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, codified as § 208-630-025, filed 1/12/96, effective 2/12/96.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-030 Surety bond. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-030, filed 1/12/96, effective 2/12/96. Statutory Authority: RCW 31.45.200. WSR 93-16-032, § 50-30-030, filed 7/27/93, effective 8/27/93; WSR 92-24-028, § 50-30-030, filed 11/24/92, effective 12/25/92. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-030, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-035 Alternatives to the surety bond. [Statutory Authority: RCW 43.320.040, 31.45.090 and 31.45.200. WSR 99-22-048, § 208-630-035, filed 10/29/99, effective 11/29/99. Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, codified as § 208-630-035, filed 1/12/96, effective 2/12/96.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-040 Access to criminal history information. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-040, filed 1/12/96, effective 2/12/96. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-040, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-050 Issuance of license or small loan endorsement. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-050, filed 1/12/96, effective 2/12/96. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-050, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-060 Disclosure of significant developments. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-060, filed 1/12/96, effective 2/12/96. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-060, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-065 The note. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, codified as § 208-630-065, filed 1/12/96, effective 2/12/96.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-068 Contents of disclosure statement to borrower. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, codified as § 208-630-068, filed 1/12/96, effective 2/12/96.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-070 Accounting and financial records. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-070, filed 1/12/96, effective 2/12/96. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-070, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-075 Monetary instruments—Deposit requirements. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, codified as § 208-630-075, filed 1/12/96, effective 2/12/96.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-080 Licensees are required to comply with federal and state laws including but not limited to the following. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-080, filed 1/12/96, effective 2/12/96. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-080, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-085 Licensee with small loan endorsement—Powers—Restrictions. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, codified as § 208-630-085, filed 1/12/96, effective 2/12/96.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-090 Audit report by licensee—Financial statements. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-090, filed 1/12/96, effective 2/12/96. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-090, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-095 Knowledge of the law and regulations. [Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, codified as § 208-630-095, filed 1/12/96, effective 2/12/96.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-100 Trust accounts—Limitations and prohibitions. [Statutory Authority: RCW 43.320.040, 31.45.090 and 31.45.200. WSR 99-22-048, § 208-630-100, filed 10/29/99, effective 11/29/99. Statutory Authority: RCW 43.320.040 and 31.45.200. WSR 96-03-059, recodified as § 208-630-100, filed 1/12/96, effective 2/12/96. Statutory Authority: 1991 c 355 § 24. WSR 92-02-105, § 50-30-100, filed 1/2/92, effective 2/2/92.] Repealed by WSR 05-22-009, filed 10/21/05, effective 11/21/05. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200.

208-630-410 What happens if a licensee is late with an annual assessment fee? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-410, filed 10/21/05, effective 11/21/05.] Repealed by WSR 08-16-092, filed 8/5/08, effective 9/5/08. Statutory Authority: RCW 43.320.040.

208-630-430 When may a licensee expect a fee increase? [Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-430, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-430, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-440 How will a licensee know about fee increases? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-440, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-460 When must a licensee inform the director of significant changes in business? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-460, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-540 Must a licensee comply with the federal Truth in Lending Act when entering into a payment plan? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-540, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-550 May the licensee and the borrower enter into a payment plan prior to the fourth consecutive loan? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-550, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-711 What are the minimum requirements of a policy that protects borrowers' nonpublic personal information (NPI) under the Gramm-Leach-Bliley Act? [Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-711, filed 11/20/07, effective 12/21/07.] Repealed by WSR 16-10-046, filed 4/29/16, effective 6/1/16. Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200.

208-630-750 What fees may licensees charge to collect a delinquent small loan? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-750, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-760 What are the legal restrictions on making small loans? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-760, filed 10/21/05, effective 11/21/05.] Repealed by WSR 07-23-094, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 43.320.040.

208-630-770 May a licensee allow a borrower to refinance or "rollover" a small loan with another small loan? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-770, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-780 May a licensee use a name or place of business other than that named on the license or small loan endorsement? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-780, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-790 What is the limit on the amount of checks a licensee may hold from one borrower? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-790, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-800 May a licensee holding a borrower's check for a period longer than the statutory limit of forty-five days charge additional fees? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-800, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-810 May a licensee charge additional fees to cash monetary instruments issued as part of a small loan? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-810, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-820 May a licensee charge any fees if a borrower decides to convert their loan to a payment plan? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-820, filed 10/21/05, effective 11/21/05.] Repealed by WSR 09-24-089, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510.

208-630-850 What information must a licensee have in the annual assessment report? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-850, filed 10/21/05, effective 11/21/05.] Repealed by WSR 08-16-092, filed 8/5/08, effective 9/5/08. Statutory Authority: RCW 43.320.040.

208-630-860 If licensee has a small loan endorsement, what other reports must be filed? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-860, filed 10/21/05, effective 11/21/05.] Repealed by WSR 08-16-092, filed 8/5/08, effective 9/5/08. Statutory Authority: RCW 43.320.040.

208-630-870 If a licensee has a loan volume of at least ten million dollars in principal in the year prior, what additional reports must the licensee file with the director? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-870, filed 10/21/05, effective 11/21/05.] Repealed by WSR 08-16-092, filed 8/5/08, effective 9/5/08. Statutory Authority: RCW 43.320.040.

208-630-900 What additional information must a licensee include with annual reports and financial statements? [Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-900, filed 10/21/05, effective 11/21/05.] Repealed by WSR 08-16-092, filed 8/5/08, effective 9/5/08. Statutory Authority: RCW 43.320.040.

WAC 208-630-110 What definitions are required to understand these rules? The definitions in RCW 31.45.010 and this section apply throughout this chapter unless the context clearly requires otherwise.

"ACH" means automated clearing house, an electronic network for financial transactions that processes credit and debit transactions.

"Act" means chapter 31.45 RCW.

"Advertise, advertising, and advertising material" means any form of sales or promotional materials used in connection with the business. Advertising material includes, but is not limited to, newspapers, magazines, leaflets, flyers, direct mail, indoor or outdoor signs or displays, point-of-sale literature or educational materials, other printed materials; radio, television, public address system, or other audio broadcasts; internet pages, social media, instant messages, or electronic bulletin boards.

"Affiliate" means any person who directly or indirectly through one or more intermediaries, controls, or is controlled by, or is in common control with another person.

"Agent" for purposes of RCW 31.45.079 means a person who engages in the business of making small loans by performing small loan agent services.

"Annual percentage rate" or "APR" means the cost of credit expressed as a yearly rate, determined in accordance with the federal Truth in Lending Act (15 U.S.C. Sec. 1601 et seq.), and Regulation Z (12 C.F.R. Part 1026 et seq.), as amended.

The Office of the Comptroller of the Currency (OCC) has developed an APR calculator (APRWIN) that licensees may download and use without charge. APRWIN is available on the OCC's website at http://www.occ.treas.gov/aprwin.htm.

"Board director" means a director of a corporation or a person occupying a similar status and performing a similar function with respect to an organization, whether incorporated or unincorporated.

"Check" means the same as defined in RCW 62A.3-104(f) and, for purposes of conducting the business of making small loans, includes other electronic forms of payment, including stored value cards, internet transfers, and automated clearing house transactions.

"Check casher" means an individual, partnership, unincorporated association, or corporation that, for compensation, engages, in whole or in part, in the business of cashing checks, drafts, money orders, or other commercial paper serving the same purpose.

"Check seller" means an individual, partnership, unincorporated association, or corporation that, for compensation, engages, in whole or in part, in the business of selling checks, drafts, money orders, or other commercial paper serving the same purpose.

"Close of business" for the purposes of RCW 31.45.86 and these regulations means the actual time a licensee closes for business at the location from which a small loan was originated or 11:59 p.m. Pacific Time, whichever is earlier.

"Default" means:

(a) The borrower's failure to repay a small loan in compliance with the terms contained in the small loan agreement or note; or

(b) Failure to pay any installment plan payment within ten days after the date upon which the installment was scheduled to be paid. See WAC 208-630-556 (12)(b).

"Department" means the department of financial institutions.

"Exempt entity" means a person described in RCW 31.45.020 that is engaged in the business of making small loans.

"Gross monthly income" means an individual's total personal income earned during a month prior to any taxes or deductions.

"Installment plan" is a contract between a licensee and borrower that provides that the loaned amount will be repaid in substantially equal installments scheduled on or after a borrower's pay dates and no less than fourteen days apart.

"Investigation" means an examination undertaken for the purpose of detecting violations of chapter 31.45 RCW or these rules or obtaining information lawfully required under chapter 31.45 RCW or these rules.

"License" means a license issued by the director to engage in the business of check cashing or check selling under the provision of chapter 31.45 RCW.

"Loaned amount" means the outstanding principal balance and any fees authorized under RCW 31.45.073 that have not been paid by the borrower.

"Monetary instrument" means a check, draft, money order or other commercial paper serving the same purpose.

"Paid" means that moment in time when the licensee deposits the borrower's check, accepts cash, or initiates an ACH withdrawal from the borrower's account for the full amount owed on a valid small loan. If the borrower's check is dishonored and returned unpaid by the borrower's bank, the loan is not paid. If an ACH authorization is denied, the loan is not paid.

"Payday advance lender" or "payday lender" means a licensee under this chapter who has obtained a small loan endorsement under RCW 31.45.073.

"Payday advance loan," "payday loan" or "deferred deposit loan" means the same as a small loan.

"Postdated check" means a check delivered prior to its date, generally payable at sight or on presentation on or after the day of its date. "Postdated check" does not include any promise or order made or submitted electronically by a borrower to a licensee.

"RCW" means the *Revised Code of Washington*.

"Small loan" or "loan" means a loan of up to the maximum amount and for a period of time up to the maximum term specified in RCW 31.45.073.

"Small loan agent services" include, but are not limited to:

(a) Marketing and advertising small loans;

(b) Collecting nonpublic personal information from consumers in anticipation of selling the information to potential licensed lenders or other entities providing small loan agent services;

(c) Assisting consumers in completing small loan documentation;

(d) Providing required applicable state and federal disclosures in connection with small loans; and

(e) Collecting on small loans.

Small loan agent services do not include (a) services performed by any person holding a small loan endorsement or (b) collection of small loans by a person licensed under chapter 19.16 RCW or exempt from that chapter or otherwise authorized under Washington law to act as a collection agent.

"State" means the state of Washington.

"Unsafe or unsound financial practice" means any action, or lack of action, the likely consequences of which, if continued, would materially impair the net worth of a licensee or create an abnormal risk of loss to its customers.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-110, filed 4/29/16, effective 6/1/16; WSR 14-24-048, § 208-630-110, filed 11/25/14, effective 1/1/15; WSR 13-05-005, § 208-630-110, filed 2/6/13, effective 3/9/13. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-110, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-110, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-110, filed 10/21/05, effective 11/21/05.]

LICENSING REQUIREMENTS

WAC 208-630-120 What does a business have to do to operate as a check casher and seller or to make small loans as a payday lender? (1) In order to engage in the business of check cashing and selling, a

business must apply for and obtain from the department a check cashing or selling license.

(2) In order to make payday loans (small loans), a business must first obtain a license as a check casher or seller and then obtain a small loan endorsement to that license.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-120, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-120, filed 10/21/05, effective 11/21/05.]

WAC 208-630-130 How does a business apply for a check casher's or seller's license or a small loan endorsement to a check casher's or seller's license? Each applicant for a check casher license, or check seller license, or a small loan endorsement to a check casher's or seller's license must apply to the director by filing the following:

(1) An application in a form prescribed by the director including at least the following information:

(a) The legal name, residence, and business address of the applicant if the applicant is an individual or sole proprietorship, and in addition, if the applicant is a partnership, corporation, limited liability company, limited liability partnership, trust, company, or association, the name and address of every member, partner, officer, controlling person, and board director;

(b) The trade name or name under which the applicant will do business under the act;

The director or the director's designated representative may deny an application for a proposed license or trade name if the proposed license or trade name is similar to a currently existing licensee name, including trade names.

(c) The street and mailing address of the company headquarters and each location in which the applicant will engage in business under the act;

(d) The location at which the applicant's records will be kept; and

(e) Financial statements and any other pertinent information the director may require with respect to the applicant and its board directors, officers, trustees, members, or employees, including information regarding any civil litigation filed within the preceding ten years against the applicant or controlling person of the applicant;

(2) A surety bond and related power of attorney, or other security acceptable to the director in an amount equal to the penal sum of the required bond as set forth in this rule. In lieu of the bond, the applicant may demonstrate to the director net worth in excess of three times the amount of the penal sum of the required bond in accordance with RCW 31.45.030 (5)(b) and (e) and this rule;

(3) A current financial statement as of the most recent quarter end prepared in accordance with generally accepted accounting principles which includes a statement of assets and liabilities and a profit and loss statement;

(4) Information on the applicant's or any affiliate's current or previous small loan or related type business in this state or any other state, including, but not limited to, name, address, city, state, licensing authority, and whether any enforcement action is pending or has been taken against the applicant in any state;

(5) Upon request, a complete set of fingerprints and a recent photograph of each sole proprietor, owner, director, officer, partner, member, and controlling person; and

(6) An application fee.

Any information in the application regarding a personal residential address or telephone number, and any trade secret as defined in RCW 19.108.010 including any financial statement that is a trade secret is exempt from the public disclosure requirements of chapter 42.17 RCW.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-130, filed 4/29/16, effective 6/1/16. Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-130, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-130, filed 10/21/05, effective 11/21/05.]

WAC 208-630-135 What must I do to be authorized to offer small loan agent services? (1) Persons providing small loan agent services must license with the department. To license you must provide the following information:

(a) The legal name, residence, and business address if an individual or sole proprietorship, and in addition, if a partnership, corporation, limited liability company, limited liability partnership, trust, company, or association, the name and address of every member, partner, officer, controlling person, and board director.

(b) The trade or business name under which you will do business. Please note, your request may be denied if the proposed trade or business name is similar to a currently existing licensee name, including trade names.

(c) The street and mailing address of each location where you will engage in business.

(d) The location at which your records will be kept.

(e) Whether the applicant or other person subject to the act is, or has been, subject to a cease and desist order or an injunction issued pursuant to the act or rules or any state or federal law applicable to the business activity.

(f) Whether the applicant or other person subject to the act has been charged or found through an administrative, civil, or criminal proceeding to have violated the provisions of the act or rules, or any state or federal law applicable to the business activity.

(g) Whether the applicant or other person subject to the act has been convicted of, or pled guilty or nolo contendere, in a domestic, foreign, or military court to:

(i) A gross misdemeanor involving dishonesty or financial misconduct within the prior seven years;

(ii) A felony within the prior seven years; or

(iii) A felony that involved an act of fraud, dishonesty, breach of trust, or money laundering at any time preceding the date of application.

(h) Any other pertinent information the director may require.

(2) You must also provide to the department a declaration that the company will not sell consumers' nonpublic personal information to unlicensed entities making loans or to unlicensed small loan agents.

(3) The small loan agent license expires December 31st of each year. You must pay the renewal fee prescribed by the director to renew the license.

(4) If any information about the company changes from that provided to the department at the time of licensure, you must notify the director in writing of the change within a reasonable amount of time from the change.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-135, filed 4/29/16, effective 6/1/16; WSR 14-24-048, § 208-630-135, filed 11/25/14, effective 1/1/15.]

WAC 208-630-136 If I am licensed to provide small loan agent services, what activities may I engage in? The small loan agent services license is a limited license. You may only provide the following services:

(1) Marketing and advertising small loans;

(2) Collecting nonpublic personal information, including social security, bank account, or credit card numbers, from consumers in anticipation of selling the information to potential licensed lenders or other entities providing small loan agent services;

(3) Assisting consumers in completing small loan documentation;

(4) Providing required disclosures;

(5) Collecting on small loans if licensed under chapter 19.16 RCW or exempt from that chapter or otherwise authorized under Washington law to act as a collection agent.

[Statutory Authority: Chapter 43.320 RCW and RCW 31.45.200. WSR 14-24-048, § 208-630-136, filed 11/25/14, effective 1/1/15.]

WAC 208-630-137 What disclosures must I provide when conducting business pursuant to a small loan agent services license? You must display the following information on your internet home (landing) page in a clear and conspicuous manner:

(1) That you are not a lender and will not be the entity lending money to the consumer.

(2) The department's name and telephone number for consumers to contact with complaints.

The information required in subsections (1) and (2) of this section must be displayed in a manner substantially similar to the following:

> "Your use of this website is not an offer or solicitation to lend you money. The owner of this website is not a lender and does not make loans or credit decisions. The owner of this website may sell all or part of your information to lenders and other persons and you may be contacted by lenders and other persons. Contact the Department of Financial Institutions (1-877-746-4334) with complaints."

(3) Your privacy policy that describes all actions you may take with consumers' nonpublic personal information.

[Statutory Authority: Chapter 43.320 RCW and RCW 31.45.200. WSR 14-24-048, § 208-630-137, filed 11/25/14, effective 1/1/15.]

WAC 208-630-138 What laws govern my conduct as a small loan agent licensee? Small loan agent licensees are subject to chapter 31.45 RCW and chapter 208-630 WAC, including being subject to the following prohibitions:

(1) Selling nonpublic personal information, including Social Security, bank account, or credit card numbers, to potential lenders or other entities providing small loan agent services without first verifying that the lender or other entity is licensed under the act, or is exempt from licensing.

(2) Selling nonpublic personal information, including Social Security, bank account, or credit card numbers, to persons not required to license under the act without first giving the consumer an opportunity to prohibit the sale of their information.

(3) Failing to comply with the applicable provisions of the Gramm-Leach-Bliley Act, 15 U.S.C. 6801-6809 and 15 U.S.C. 6821-6827.

[Statutory Authority: Chapter 43.320 RCW and RCW 31.45.200. WSR 14-24-048, § 208-630-138, filed 11/25/14, effective 1/1/15.]

WAC 208-630-140 Once a business finishes the application process, when does the director issue a license? If the director determines that all licensing criteria of chapter 31.45 RCW have been met and the appropriate fees paid, the director shall issue a nontransferable license for the applicant to engage in the business of cashing and/or selling checks or a small loan endorsement to a license.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-140, filed 10/21/05, effective 11/21/05.]

WAC 208-630-150 When does the license expire? The license and small loan endorsement will remain continuously in effect until surrendered, suspended, or revoked.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-150, filed 10/21/05, effective 11/21/05.]

WAC 208-630-155 May I conduct my business from more than one location? Yes. You may establish one or more branch offices under your license.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-155, filed 4/29/16, effective 6/1/16.]

WAC 208-630-160 Does each location where a licensee makes small loans have to have a small loan endorsement? The law requires a small loan endorsement for each location where a licensee makes small loans.

These locations include, in addition to traditional staffed locations, unstaffed locations at which electronic or telephonic terminals such as facsimile machines, telephones, computer terminals or similar devices are available to the public to provide access to small loans, whether or not the locations are located within the premises of an exempt entity.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-160, filed 10/21/05, effective 11/21/05.]

WAC 208-630-170 Where may a licensee make small loans? A small loan endorsement may authorize a licensee to make small loans at a location other than the licensed location where it cashes and sells checks.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-170, filed 10/21/05, effective 11/21/05.]

WAC 208-630-180 Is there a bond requirement for my license? If you sell checks, drafts, or money orders or if you have a small loan endorsement under chapter 31.45 RCW you must obtain and maintain a bond. The bond must run to the benefit of the state and any person or persons who suffer loss as a result of your actions. You must file the bond with the director at the beginning of each calendar year. The bond must be issued by a surety that meets the requirements of chapter 48.28 RCW. The bond form must be acceptable to the director. You may obtain a copy of an acceptable form from the department.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-180, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-180, filed 10/21/05, effective 11/21/05.]

WAC 208-630-190 What type of bond is necessary and what are the conditions? The bond must be continuous and conditioned upon your compliance with chapter 31.45 RCW and all rules in this chapter. The bond must also be conditioned upon you paying to persons who purchase monetary instruments the face value of any monetary instrument dishonored by the drawee financial institution due to insufficient funds or by reason of the account having been closed. The surety is only liable for the face value of the dishonored monetary instrument, and not for any interest or consequential damages. If you have a small loan endorsement, the bond must run to the benefit of the state and any person or persons who suffer loss due to your violation of chapter 31.45 RCW or this chapter.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-190, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-190, filed 10/21/05, effective 11/21/05.]

WAC 208-630-200 How is a bond canceled? The bond may be canceled by the surety by giving written notice to the director and licensee of its intent to cancel the bond. The cancellation is effective thirty days after the notice is received by the director.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-200, filed 10/21/05, effective 11/21/05.]

WAC 208-630-210 What is the liability of the surety under the bond? Whether or not the bond is renewed, continued, reinstated, reissued, or otherwise extended, replaced, or modified, including increases or decreases in the penal sum, it shall be considered one continuous obligation, and the surety shall not be liable in an aggregate or cumulative amount exceeding the penal sum set forth on the face of the bond. In no event shall the penal sum, or any portion thereof, at two or more points in time be added together in determining the surety's liability. The surety shall not be liable for any liability of the licensee for tortious acts, whether or not such liability is imposed by statute or common law, or is imposed by contract. The bond shall not be a substitute or supplement to any liability or other insurance required by law or by contract. If the surety desires to make payment without awaiting court action against it, the penal sum of the bond shall be reduced to the extent of any payment made by the surety in good faith under the bond.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-210, filed 10/21/05, effective 11/21/05.]

WAC 208-630-220 Who may make claims against the bond? Any person who is a purchaser of a monetary instrument from the licensee having a claim against the licensee for the dishonor of any monetary instrument by the drawee financial institution due to insufficient funds or by reason of the account having been closed, or any person who obtained a small loan from the licensee and was damaged by the licensee's violation of chapter 31.45 RCW or this chapter, may bring suit upon such bond or deposit in the superior court of the county in which the monetary instrument was purchased, or in the superior court of a county in which the licensee maintains a place of business. Jurisdiction shall be exclusively in the superior court. Any action must be brought not later than one year after the dishonor of the monetary instrument on which the claim is based. If the claims against a bond or deposit exceed the amount of the bond or deposit, each claimant shall only be entitled to a pro rata amount, based on the amount of the claim as it is valid against the bond, or deposit, without regard to the date of filing of any claim or action.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-220, filed 10/21/05, effective 11/21/05.]

WAC 208-630-230 What must I do if there are claims against the bond? You must notify the department of any claim against the bond within ten days of receiving notice of a claim.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-230, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-230, filed 10/21/05, effective 11/21/05.]

WAC 208-630-240 What is the amount of bond needed for licensees engaging only in check selling? The penal sum of the surety bond for a person with a check seller license shall not be less than the amount established in the following table:

Highest Monthly Liability*	Required Bond	Plus Percentage of Excess
Up to $50,000	Highest Monthly Liability or $10,000, whichever is greater	$0
$50,001 to $100,000	$50,000	.5 above $50,000
$100,001 and above	$75,000	.25 above $100,000

* The monthly liability is the total sum of checks for a given month. The "highest monthly liability" shall be determined by multiplying the highest monthly liability of checks from the preceding calendar year by seventy-five percent.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-240, filed 10/21/05, effective 11/21/05.]

WAC 208-630-250 What is the amount of bond needed if a licensee has a small loan endorsement? The required penal sum of the bond for a small loan endorsement must be ten thousand dollars plus an additional one thousand dollars for each endorsed branch office beyond one branch.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-250, filed 10/21/05, effective 11/21/05.]

WAC 208-630-260 Do I have any alternative to maintaining a surety bond? With the approval of the director, you may substitute one of the following alternatives for the surety bond required under this chapter. Any alternative to the surety bond must secure the same obligations the surety bond would. The amount of a bond alternative substituted under subsection (1) or (2) of this section must be equal to or greater than the amount of the required surety bond.

(1) **Time deposit.** You may purchase and maintain a certificate of deposit assigned in favor of the director. The certificate of deposit must be issued by a financial institution in the state and whose deposits or shares are insured by an agency of the government of the

United States. The deposit must be in an amount equal to or greater than the required surety bond. You are entitled to receive all interest and dividends on the certificate of deposit.

(2) **Demonstration of sufficient net worth.** You must demonstrate net worth of at least three times the amount of the required bond. You must notify the director within ten business days of any date upon which your net worth decreases below the required amount. If you fail to maintain the required level of net worth and continue to operate under a small loan endorsement, you must immediately obtain a surety bond and maintain it for five years after the date of noncompliance. During this five-year period, the director will not accept a demonstration of net worth in lieu of a surety bond.

(3) **Reports required.** If you maintain net worth in lieu of a surety bond, you must submit to the director an annual audited financial statement and a supplementary year-to-date financial statement within forty-five days after the close of each quarter, both prepared in accordance with generally accepted accounting principles. The financial statements must include at a minimum a statement of assets and liabilities and a profit and loss statement. The director may continue to require other documents, agreements or information necessary to properly evaluate and ensure that you comply with this section.

(4) **Bad debts and judgments.** If you maintain net worth in lieu of a surety bond you must not consider bad debts and certain judgments as assets. The director may approve exceptions in writing. You must charge off your books any debt upon which any payment is six months or more past due. You may not count as an asset any unpaid judgment more than two years old. Time consumed by an appeal from a judgment is not counted in the two-year limit.

(5) **Noncompliance.** If you do not comply with this section you must obtain and file with the director a surety bond in the required amount in WAC 208-630-240 and 208-630-250 by the date specified by the director.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-260, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-260, filed 10/21/05, effective 11/21/05.]

WAC 208-630-270 When and under what circumstances may the director have access to the criminal history of an applicant or licensee, or controlling person? (1) The director may review any criminal history record information maintained by any federal, state, or local law enforcement agency relating to:

(a) An applicant for a license or small loan endorsement under chapter 31.45 RCW; or

(b) A controlling person of an applicant for a license under chapter 31.45 RCW.

(2) The director may deny, suspend or revoke a license if the applicant, licensee, or controlling person of the applicant or licensee fails to provide a complete set of fingerprints and a recent photograph on request.

(3) All criminal history record information received by the director is confidential information and is for exclusive use of the director and the division of consumer services. Except on court order or as provided by subsection (4) of this section, or otherwise provided

by law, the information may not be released or otherwise disclosed to any other person or agency.

(4) The director may not provide a person being investigated under this section with a copy of the person's criminal history record obtained pursuant to subsection (1) of this section. This subsection does not prevent the director from disclosing to the person the dates and places of arrests, offenses, and dispositions contained in the criminal history records.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-270, filed 10/21/05, effective 11/21/05.]

LICENSING FEES

WAC 208-630-280 Does a licensee have to pay a fee for a license application? At the time an applicant files for a license, the applicant must pay to the director a deposit fee for investigating and processing the application.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-280, filed 10/21/05, effective 11/21/05.]

WAC 208-630-290 How much are the fees for various license applications, and when does a licensee pay them? (1) The director shall collect a fee of sixty-nine dollars per employee hour expended for services, plus actual expenses, for review, investigation and processing of:

(a) New license applications;
(b) Small loan endorsement applications;
(c) Additional locations;
(d) Change of control;
(e) Relocation of office;
(f) Voluntary or involuntary liquidation of licensee.

(2) The director may require a lump sum payment in advance to cover the anticipated cost of review and investigation of the activities described in this section.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-290, filed 10/21/05, effective 11/21/05.]

WAC 208-630-300 What happens if a licensee pays a lump sum payment in advance, and there is a surplus or deficiency in the application deposit? If the deposit required exceeds the actual amount derived in WAC 208-630-290(1), the amount in excess shall be refunded.

If the deposit fee does not cover the costs of investigation and processing, the applicant will pay for any additional cost, which will be itemized and billed by the director.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-300, filed 10/21/05, effective 11/21/05.]

WAC 208-630-310 Is the licensee's deposit fee refundable? The deposit fee is not refundable if the application is denied or withdrawn, or if the license is issued. The director will apply the deposit fee to the actual cost of investigating and processing the application.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-310, filed 10/21/05, effective 11/21/05.]

EXAMINATION AND INVESTIGATION

WAC 208-630-320 What examination authority does the director have? The director determines the frequency of examinations for the purpose of determining compliance with chapter 31.45 RCW and these rules.

The director or designee may at any time examine the records and documents used in the business of any licensee or licensee's agent wherever located. This includes licensees whose business is conducted entirely on the internet.

The director or designee may examine the records and documents of any person the director believes is engaging in unlicensed business governed by chapter 31.45 RCW wherever located.

[Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-320, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-320, filed 10/21/05, effective 11/21/05.]

WAC 208-630-330 May the director accept other reports in lieu of an examination? The director or designees may accept reports prepared by independent certified professionals or prepared by another state or the federal government in lieu of, in whole or in part, an examination performed by the director.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-330, filed 10/21/05, effective 11/21/05.]

WAC 208-630-340 What should a licensee expect the director to review during an examination? In conducting examinations the director or designee may:

(1) Obtain access, during reasonable business hours, to the offices and places of business, books, accounts, papers, files, records, computers, safes and vaults of any person in possession of information relevant to the examination;

(2) Interview any person the director or designee believes has information relative to the examination, including, but not limited to, any party to the transaction;

(3) Obtain statements in writing by any person, under oath or otherwise, as to all facts and circumstances concerning the matters under examination;

(4) Require the production of copies of any items in subsection (1) of this section;

(5) Require assistance and cooperation, from any licensee or employee or agent of any licensee under examination with respect to the conduct and subject matter of the examination;

(6) Conduct meetings and exit review with owners, managers or employees of the licensee being examined;

(7) Require a response from the subject of the examination.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-340, filed 10/21/05, effective 11/21/05.]

WAC 208-630-350 Who pays for the costs of an examination? Every licensee must pay to the director the actual cost of examining and supervising each licensed place of business at the examination hourly rate of sixty-nine dollars per person per hour expended, plus actual expenses, which for out-of-state exams includes, without limitation, travel, lodging and per diem expense.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-350, filed 10/21/05, effective 11/21/05.]

WAC 208-630-360 When may the director conduct an investigation? The director or designee may conduct investigations at any time, in or outside of the state, to determine whether any person has violated or is about to violate chapter 31.45 RCW, these rules, or any order issued under these laws and rules. This includes a licensee or a business that may be conducting transactions requiring a license. For these purposes the director or designee may conduct inquiries, interviews and examinations of any person relevant to the investigation.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-360, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-360, filed 10/21/05, effective 11/21/05.]

WAC 208-630-370 What powers does the director have during an investigation? The director or designee may investigate the business of a licensee, or other business or personal financial records of any person subject to investigation. In conducting investigations, the director or designee may:

(1) Have access to any location where records of the subject of the investigation are located, including offices, places of business, commercial storage facilities, computers, safes and vaults for the purposes of obtaining, reviewing or copying books, accounts, papers,

files, or records, including electronic records, or records in any format;

(2) Administer oaths and affirmations;

(3) Subpoena witnesses and compel their attendance at a time and place determined by the director or designee, and compel their testimony regarding any matter related to an investigation or examination under chapter 31.45 RCW or these rules, including:

(a) Testimony regarding the existence, description, nature, custody, condition and location of any relevant evidence;

(b) The identity and location of persons having knowledge of any matter related to the investigation; and

(c) Any matter reasonably calculated to lead to the discovery of material evidence.

(4) Subpoena the production of any books, records in any format, documents or other tangible things, or physical or documentary evidence or matter;

(5) Conduct oral examination, under oath or otherwise, publicly or privately, of any controlling person, employee, agent or independent contractor of a licensee;

(6) Conduct oral examination, under oath or otherwise, publicly or privately, of any person whose testimony is deemed relevant to the investigation;

(7) Copy, or request to be copied, any items described in subsection (1) of this section, or if the director or designee determines that:

(a) There is danger that original records may be destroyed, altered, or removed denying the director access; or

(b) Original documents are necessary for the preparation of criminal referral or trial, the director may take possession of originals of any items described in subsection (1) of this section, regardless of the source of such items. Originals and/or copies taken by the director may be held, returned, or forwarded to other regulatory or law enforcement officials as determined necessary by the director or designee.

(8) Conduct analysis and review of any items described in subsection (1) of this section;

(9) Require assistance, as necessary, from any employee or person subject to investigation under this section with respect to the conduct and subject matter of the investigation;

(10) Conduct meetings and exit reviews with owners, managers, officers, or employees of any person subject to investigation or examination under this chapter;

(11) Conduct meetings and share information with other regulatory or law enforcement agencies; and

(12) Prepare and deliver, as deemed necessary, a report of investigation requiring a response from the recipient.

The director may investigate the business and records of any person who the director has reason to believe is engaging in business which requires a license under chapter 31.45 RCW.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-370, filed 10/21/05, effective 11/21/05.]

WAC 208-630-380 What are the fees for an investigation? Unless the person investigated is not required to hold a license, the person

must pay the cost of the investigation at the hourly rate of sixty-nine dollars per person per hour expended, plus actual expenses, which for out-of-state investigations includes, without limitation, travel, lodging and per diem expense.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-380, filed 10/21/05, effective 11/21/05.]

WAC 208-630-390 May the director hire other specialists to assist with examinations and investigations, and who will pay for them? (1) The director may retain attorneys, accountants, or other professionals and specialists as examiners, auditors, or investigators, to conduct, or assist in the conduct of examinations, or investigations. Fees for services provided to the director by such professionals and specialists under this paragraph will be billed at such rates and in the manner described in WAC 208-630-350 and 208-630-380.

(2) The director may order the retention of such professionals and specialists as auditors, or investigators to conduct, or assist in the conduct of audits or investigations. Unless the director determines that the person investigated is not required to hold a license or otherwise should not bear the cost, the actual cost of these services will be borne by the person who is the subject of the audit, or investigation.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-390, filed 10/21/05, effective 11/21/05.]

ANNUAL ASSESSMENTS

WAC 208-630-400 Once licensed, what fees must a licensee pay to keep a license current? (1) The director will charge each licensee an annual assessment at the rate set forth in subsection (2) of this section. Assessments for a calendar year will be computed on total volume of transactions as of December 31 of the previous calendar year.

(2) The annual assessment rate is:

(a) For check cashers:

(i) If the volume of checks cashed is one million dollars or less, there is no annual assessment;

(ii) If the volume of checks cashed is over one million dollars, the annual assessment is five hundred thirteen dollars and ninety-five cents per licensed location.

(b) For check sellers:

(i) If the volume of checks sold is one million dollars or less, there is no annual assessment;

(ii) If the volume of checks sold is over one million dollars, the annual assessment is five hundred thirteen dollars and ninety-five cents per licensed location.

(c) For licensees with small loan endorsements, in addition to (a) and/or (b) of this subsection:

(i) If the volume of small loans made is one million dollars or less, there is no annual assessment;

(ii) If the volume of small loans made is over one million dollars, the annual assessment is five hundred thirteen dollars and ninety-five cents per licensed location.

(3) For purposes of this section, "volume" includes all transactions made under this chapter and chapter 31.45 RCW by a Washington licensed check casher or check seller at all licensed locations.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-400, filed 10/21/05, effective 11/21/05.]

WAC 208-630-420 How can a license be reinstated after it expires? The director may reinstate the license if, within twenty days after the effective date of expiration, the licensee:

(1) Pays both the annual assessment fee and the late fee; and

(2) Attests under penalty of perjury that it did not engage in conduct requiring a license under this chapter during the period its license was expired. The director may confirm the licensee's attestation by an investigation.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-420, filed 10/21/05, effective 11/21/05.]

WAC 208-630-450 When may the director waive fees? The director may waive any or all of the fees and assessments imposed, in whole or in part, when he or she determines that both of the following factors are present:

(1) The consumer services program fund exceeds the projected acceptable minimum fund balance level approved by the office of financial management; and

(2) That such course of action would be fiscally prudent.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-450, filed 10/21/05, effective 11/21/05.]

SMALL LOAN REQUIREMENTS (PAYDAY LENDING)

WAC 208-630-461 What is the maximum amount that all licensees may lend to a borrower? The total outstanding principal of all small loans made by all licensees to a single borrower may not exceed seven hundred dollars or thirty percent of the borrower's gross monthly income, whichever is lower.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-461, filed 12/1/09, effective 1/1/10.]

WAC 208-630-462 What documentation is acceptable as proof of the borrower's gross monthly income? (1) A record of the borrower's pay stub or payroll receipt;

(2) A record of the borrower's receipt documenting payment of government benefits; or

(3) Other documentation as approved by the director, including, but not limited to, records of bank statements that show regular direct deposits from an identified source and verified to be in favor of the borrower, check cashing history, or an employer's verbal confirmation of the borrower's employment status and current gross income;

(4) You must obtain independent verification of a borrower's gross monthly income every one hundred eighty days;

(5) On loans made without independent verification of the borrower's gross monthly income, you must obtain from the borrower a written declaration of change or no change in their gross monthly income since the last independent verification.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-462, filed 12/1/09, effective 1/1/10.]

WAC 208-630-463 What is the maximum number of small loans that may be made to a single borrower in any twelve-month period? The maximum number of loans that all licensees may make to a single borrower in any twelve-month period is eight loans.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-463, filed 12/1/09, effective 1/1/10.]

WAC 208-630-464 What documentation is acceptable as proof of the borrower's identity? (1) For small loans made in person you must use one of the following forms of identification which must contain a photograph of the borrower:

(a) Driver's license issued in the United States, Canada, or Mexico;

(b) Any state's state identification card;

(c) Matricula consular;

(d) Tribal identification;

(e) Passport;

(f) Military identification; or

(g) Other forms or methods of verifying identification, as approved by the director, that provide a reliable means of verifying the borrower's identity.

(2) For loans made over the internet you must use a method of verifying identification, as approved by the director, that provides a reliable means of verifying the borrower's identity.

(3) You must keep a record of the identification information you accepted or a record of the results of the method of verifying identification you used as proof of the borrower's identity in the loan file.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-464, filed 12/1/09, effective 1/1/10.]

WAC 208-630-466 What fees can I charge on a small loan? (1) You may charge interest or fees for small loans not to exceed in the aggregate fifteen percent of the first five hundred dollars of principal.

(2) If the principal exceeds five hundred dollars, you may charge interest or fees not to exceed in the aggregate ten percent of the portion of the principal in excess of five hundred dollars.

(3) If you make more than one loan to a single borrower, and the aggregated principal of all loans made to that borrower exceeds five hundred dollars at any one time, you may charge interest or fees not to exceed in the aggregate ten percent on the portion of the aggregated principal of all loans at any one time that is in excess of five hundred dollars.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-466, filed 12/1/09, effective 1/1/10.]

WAC 208-630-470 What types of information must a licensee include on a borrower's application for a small loan? The licensee must require and maintain an application for each borrower in each small loan transaction. Each application must contain the borrower's full name, Social Security number or other unique identifier acceptable to the director, current address, loan origination date, and whether the applicant is a military borrower at any time prior to the termination date of the loan. As used in this section "other unique identifier" means a state identification card, a passport, a document issued by the U.S. Immigration and Customs Enforcement that provides identification of the borrower, a matricula consular, a driver's license, or other forms as approved by the director.

Licensees may rely upon an applicant representation regarding the applicant's military status, and are not required to conduct an independent investigation regarding military status.

[Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-470, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-470, filed 10/21/05, effective 11/21/05.]

WAC 208-630-480 How must a licensee maintain customer small loan applications? The licensee may maintain a single master application in paper or electronic form that the licensee updates each time a customer takes out a new loan.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-480, filed 10/21/05, effective 11/21/05.]

WAC 208-630-490 What information must the note or small loan agreement contain? Each small loan made under a small loan endorsement pursuant to chapter 31.45 RCW must be evidenced by a written note or loan agreement which must contain at least the following:

(1) The origination date of the loan;

(2) The principal of the loan;

(3) The manner in which the loan is to be repaid, including a statement of whether any check held in connection with a small loan may be redeemed in cash and if so, a statement of the date and time after which the licensee may choose not to permit redemption;

(4) The termination date of the loan;

(5) The dollar amount of fees and the method of calculating fees;
(6) The annual percentage rate as defined in the federal Truth in Lending Act; and
(7) The signature or electronic signature of the borrower.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-490, filed 10/21/05, effective 11/21/05.]

WAC 208-630-500 When must a licensee provide a note or small loan agreement to the borrower? A licensee must provide a copy of the note or loan agreement (or if in electronic form, make available) to the borrower at the time the borrower executes the note or loan agreement.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-500, filed 10/21/05, effective 11/21/05.]

WAC 208-630-501 How must I determine the due date on the loan? (1) The earliest due date for repayment is on or after the borrower's next pay date unless the pay date is within seven days of the date of the small loan. If the pay date falls within the seven days, you must set the repayment date on or after the borrower's second pay date after the date of the small loan. With the small loan origination date being day zero, count seven days out to determine the first available due date. A borrower with pay dates on the 5th and 20th of each month has a small loan with a loan origination date of February 1st. February 1st is day zero. February 8th is day seven. The borrower's pay date of February 5th is "within" seven days from loan's origination date. So the first due date will have to be on or after the borrower's next occurring pay date, February 20th.
(2) A loan's due date must be forty-five days or fewer from the origination date on the loan unless the term of the loan is extended by written agreement between you and the borrower at no additional cost to the borrower.
(3) If a small loan's due date falls on a date your business is not open, you must automatically extend the due date to your next business day.
(4) For purposes of this section, "pay date" means the borrower's scheduled pay date or the date the borrower's account is credited with any direct deposit or other electronic transfer of funds into their bank account, whichever is later.
(5) The borrower can pay off the loan at any time before the due date at no additional charge or fee.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-501, filed 4/29/16, effective 6/1/16. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-501, filed 12/1/09, effective 1/1/10.]

WAC 208-630-505 What process must I follow when a borrower pays off a small loan, or makes a payment toward an installment plan, with cash? You must prepare a receipt with information that includes, but

is not limited to, the date of the payment, the borrower's name, the amount of cash received, an indication that the payment was made in cash, an indication that the payment was made on a loan or towards an installment plan, and an authorized signature, stamp, or other authenticating mark confirming you received the payment.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-505, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-505, filed 11/20/07, effective 12/21/07.]

WAC 208-630-506 What are my obligations if the borrower notifies me that he or she will be or is unable to pay the small loan on time? You must inform the borrower that he or she has a right to convert the small loan to an installment plan. See WAC 208-630-520.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-506, filed 12/1/09, effective 1/1/10.]

WAC 208-630-510 When does a borrower have a right to enter into an installment plan? (1) The borrower has the right to convert a small loan into an installment plan upon request made on or before the small loan's due date. If the request is made on the small loan's due date, it must be made before the close of business, or at another time on the due date as agreed to in the written small loan agreement, but in no event can the agreed upon time be earlier than three o'clock p.m. on the due date.

(2) If you extend a small loan's due date, the borrower's right to request an installment plan on that loan follows the extended date.

(3) If you extend a small loan's due date, you must update the database with that new date as soon as practicable.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-510, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-510, filed 10/21/05, effective 11/21/05.]

WAC 208-630-520 If a borrower and licensee enter into an installment plan, what are the terms of the installment plan? An installment plan under RCW 31.45.084 must contain the following terms:

(1) The plan must be in writing;

(2) If the small loan is four hundred dollars or less the term must be for a period of at least ninety days;

(3) If the small loan is over four hundred dollars the term must be for a period of at least one hundred eighty days;

(4)(a) Installment payments must be both substantially equal in payment amount and substantially equally distributed over the installment plan payment period.

(b) An installment plan for ninety to one hundred eighty days is in compliance if there is at least one payment in each month in the period and payments are substantially equally distributed throughout the installment plan period.

(c) The borrower and licensee may mutually agree to fewer payments as long as they are substantially equal in amount and substantially equally distributed over the installment plan payment period.

(5) The borrower may pay off the total amount due at any time without additional penalty, fee, or charge for prepayment; and

(6) You may enter into a written installment plan with a borrower on terms other than these as long as the terms are not less favorable to the borrower and there is no charge to the borrower.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-520, filed 4/29/16, effective 6/1/16. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-520, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-520, filed 10/21/05, effective 11/21/05.]

WAC 208-630-530 If a borrower and licensee enter into an installment plan, how must the payments be structured? All installment plans under RCW 31.45.084 must:

(1) Be in writing and acknowledged by both the borrower and licensee; and

(2) Provide for at least three payments; and

(3) Provide for an installment plan length of not less than ninety days for a loan amount of up to and including four hundred dollars; or

(4) Provide for an installment plan length of not less than one hundred eighty days for a loan amount over four hundred dollars; and

(5) Be equal to the total amount of the installment plan balance divided by the number of payments subject to reasonable rounding.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-530, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-530, filed 10/21/05, effective 11/21/05.]

WAC 208-630-531 May I charge any fees if a borrower decides to convert their loan to an installment plan? No. You may not charge any fee or interest to the borrower for converting the small loan to an installment plan as provided under RCW 31.45.084.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-531, filed 12/1/09, effective 1/1/10.]

WAC 208-630-532 May I make a small loan to a borrower who is in default on another small loan? No. You are prohibited from making a small loan to a borrower who is in default on another small loan. This prohibition expires if the small loan is paid in full or two years have passed from the origination date of the small loan, whichever occurs first.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-532, filed 4/29/16, effective 6/1/16. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-532, filed 12/1/09, effective 1/1/10.]

WAC 208-630-533 May I make a small loan to a borrower who is in an installment plan? No. You are prohibited from making a small loan to a borrower who is making payments as part of an installment plan with any licensee until after that loan is paid in full or two years have passed from the initiation date of the installment plan, whichever occurs first.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-533, filed 12/1/09, effective 1/1/10.]

WAC 208-630-5401 What duties and restrictions must a licensee comply with when making loans to military borrowers? (1) For purposes of this section, "military borrower" means any active duty member of the armed forces of the United States, or any member of the National Guard or the reserves of the armed forces of the United States who has been called to active duty.

(2) A licensee must:

(a) Comply with the restrictions on loans to military borrowers and their dependents as required by Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007 and 32 C.F.R. Part 232, as amended.

(b) Honor the terms of any repayment agreement, including any repayment agreement negotiated through military counselors or third party credit counselors.

(c) Defer all collection activity against a military borrower who has been deployed to a combat or combat support posting, for the duration of the posting.

(3) A licensee must not:

(a) Garnish any wages or salary paid to a military borrower for service in the armed forces when collecting any delinquent small loan.

(b) Contact a military borrower's chain of command in an effort to collect a delinquent small loan.

(c) Make a loan to a person known to the licensee to be a military borrower from a specific location when the military borrower's commander has notified the licensee in writing that the specific location is designated off-limits to military personnel under their command.

[Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-5401, filed 11/20/07, effective 12/21/07.]

WAC 208-630-542 What fees may I charge or collect when a borrower defaults on a small loan? If the small loan is not in an installment plan, you may charge or collect a fee equal to or less than twenty-five dollars for a check returned unpaid by the bank drawn upon. Only one fee may be collected with respect to a particular check even if it has been redeposited and returned more than once. See WAC 208-630-549 for allowable default fees charged on small loans in an installment plan. On any one loan you can only charge the borrower twenty-five dollars. The fee will either be in the form of a returned check fee or an installment plan default fee, or some combination thereof; but in no event can you charge the borrower more than twenty-five dollars over the life of one loan.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-542, filed 12/1/09, effective 1/1/10.]

WAC 208-630-543 What are the specifications required of the communication log in RCW 31.45.082(4)? The communication log must contain:

(1) The date, time, and brief description of all telephone communications initiated by the licensee for collection purposes; and

(2) The date, time, and brief description of all written communications initiated by the licensee for collection purposes.

Returning a communication from a borrower is not initiating a communication with the borrower; however, the response must not violate any of the provisions of RCW 31.45.082.

The communication log may be in hard copy or electronic form, and must indicate the borrower's name.

The log must be maintained in a manner that will allow the examiner to review all collection communications covered under RCW 31.45.082 made during a period of time.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-543, filed 12/1/09, effective 1/1/10.]

WAC 208-630-544 May I allow a borrower to refinance a small loan with another small loan? No. You may not allow a borrower to use a new small loan to pay off an existing small loan by the same lender or an affiliate of the lender. Licensees may not apply the proceeds from any small loan to any other loan from the same lender or affiliate of the lender.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-544, filed 12/1/09, effective 1/1/10.]

WAC 208-630-545 How do I use a trade name when conducting business? (1) You may add a trade or "DBA" name to your license if you first apply to the department, in a form prescribed by the department, and receive department approval. When the department has approved the trade name, you must conduct business under that trade name in at least one of the two following ways:

(a) Use your license name together with the trade name; or

(b) Use your license number together with the trade name.

(2) The director may deny an application for a proposed DBA name if the proposed DBA name is similar to a currently existing licensee name.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-545, filed 4/29/16, effective 6/1/16. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-545, filed 12/1/09, effective 1/1/10.]

WAC 208-630-546 What is the limit on the number of checks I may hold from one borrower? You may not hold more than one check per small loan unless the loan is in an installment plan.

(1) If you have made multiple loans to a single borrower, you may not hold checks that total more than the lower of:

(a) Seven hundred dollars plus the allowable fees; or

(b) Thirty percent of the borrower's gross monthly income plus allowable fees.

(2) For purposes of this section, to "hold a check" does not include a check that has been deposited in your bank and subsequently returned unpaid by the borrower's bank.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-546, filed 12/1/09, effective 1/1/10.]

WAC 208-630-547 May I continue to hold the borrower's original check or ACH authorization once the borrower has converted the loan to an installment plan? (1) No. At the initiation of an installment plan, you must either return or, at the borrower's request, destroy any postdated check securing the original small loan.

(2) The initiation of an installment plan voids your authorization to use the borrower's original ACH authorization. You may accept another ACH authorization or authorizations consistent with the payment terms of the installment plan.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-547, filed 12/1/09, effective 1/1/10.]

WAC 208-630-548 May I hold postdated checks for the installment plan payments? Yes. You may take postdated checks at the time the installment plan is originated. The checks may not be written for a value more than the amount of the borrower's installment plan payments. If any of the checks are later dishonored, you may not charge the borrower any fee for the dishonored check or checks. Exception, see WAC 208-630-549.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-548, filed 12/1/09, effective 1/1/10.]

WAC 208-630-549 May I charge the borrower additional fees if the borrower defaults on an installment plan? Yes. You may charge the borrower a one time default fee of twenty-five dollars. A borrower defaults on an installment plan when the borrower fails to pay any installment plan payment within ten days after the date upon which the installment was scheduled to be paid. On any one loan you can only charge the borrower twenty-five dollars. The fee will either be in the form of a returned check fee or an installment plan default fee, or some combination thereof; but in no event can you charge the borrower more than twenty-five dollars over the life of one loan.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-549, filed 12/1/09, effective 1/1/10.]

WAC 208-630-551 May I charge a fee to cash monetary instruments I issue as proceeds of a small loan? No. You may not charge a fee to

cash a monetary instrument you or your affiliate issue as proceeds of a small loan you or an affiliate make under chapter 31.45 RCW.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-551, filed 12/1/09, effective 1/1/10.]

WAC 208-630-555 What is the purpose of the database? The purpose of this database system is to:

(1) Prevent the practice of refinancing a small loan with another small loan;

(2) Prevent multiple licensees from making simultaneous small loans to an individual borrower so that the loans' total principal balance exceeds the lesser of seven hundred dollars or thirty percent of the borrower's gross monthly income;

(3) Prevent licensees from making more than eight loans to any one borrower in any twelve-month period;

(4) Prevent a licensee from making a loan to a borrower who already has an outstanding small loan principal balance of the lesser of seven hundred dollars or thirty percent of their gross monthly income;

(5) Prevent licensees from making a loan to a borrower who is in default on a small loan or is in an installment plan; and

(6) Ensure that licensees set the small loan due date no earlier than the borrower's next pay date that is more than seven days from the origination date.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-555, filed 4/29/16, effective 6/1/16. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-555, filed 12/1/09, effective 1/1/10.]

WAC 208-630-556 How do I use the database system for small loan transactions? (1) Beginning January 1, 2010, each small loan transaction must be registered with the database system and receive a database system-generated transaction authorization number. The transaction authorization number demonstrates that the transaction has been recorded in the database prior to you making the small loan to the borrower.

(2) **Do I have to buy any equipment, hardware, or software to use the database system?** You must have a computer with access to the internet and Microsoft Internet Explorer 6 or higher. Dial-up capacity of at least 56 kps is sufficient. DSL or broadband access will provide faster access and response. It is also possible to interface directly with the database system; the database vendor can provide you with information about that process.

(3) **How and when may I access the database system?**

(a) The database system is the means by which real-time access to the data is made available to you through your internet connection.

(b) You must use a computer and the internet to access the database system.

(c) The database system will be accessible 24 hours a day every day of the year, except for routine scheduled system maintenance and upgrades performed by the database vendor.

(4) **What must I do to maintain confidentiality of the borrower's information provided to the database?** In order to maintain the confidentiality and security of the borrower's information, you must not

transmit information to the database system using publicly accessible computers, computers that are not under your control, unsecured wireless connections, or other connections that are not secure. Maintaining a secure connection includes, but is not limited to, installing and regularly updating antivirus and antispyware software and a firewall.

(5) **How do I use the database system to determine a borrower's eligibility for a small loan?** You must:

(a) Access the database system using the assigned user identification and password provided by the security administrator of your company;

(b) Enter the borrower's Social Security number, individual tax identification number (ITIN), or alien identification number, and the borrower's gross monthly income into the system.

(6) **What information will the database system give me when an eligibility search is conducted?** The database system will state a borrower's eligibility or ineligibility for a small loan and will give a reason for the eligibility determination. If the borrower is eligible for a small loan, the database system will provide the dollar amount the borrower is eligible to receive.

(7) **What must I do once the initial search determines that the borrower is eligible for a small loan?**

(a) If you receive an initial indication from the database vendor that the borrower is eligible for a small loan, you must then submit all of the required borrower information necessary to register the transaction in the database, as prescribed by the date base vendor.

(b) When the required information has been submitted to the database, the database system will confirm the initial borrower search. If the borrower's eligibility is confirmed, the small loan transaction will be recorded as open and assigned a transaction authorization number evidencing that the transaction has been authorized by the database system. You must place the transaction authorization number on the small loan agreement.

(8) **What must I do if the borrower is determined to be ineligible for a small loan?** If the borrower is deemed ineligible you will be provided with a printable message with a reason for the determination. The message will also include the name, address, and toll-free support number of the database vendor. You must provide a copy of the printable message to the borrower.

(9) **If I make a mistake entering data and must void the transaction, what do I do?** Follow the database vendor's instructions to administratively void the transaction.

(10) **If the database system is inaccessible via the internet, how do I access the database?**

(a) You will be given at least 24 hours notice for scheduled maintenance or system upgrades. The notice will be by electronic mail to the designated security administrator, or by a broadcast message on the database vendor's website.

(b) In the event the database system is unavailable, you must adhere to the following procedures:

(i) Confirm that the database system remains unavailable by attempting to access the database system with every borrower seeking a new small loan transaction. You need not comply with this procedure if you have been notified via electronic mail by the database vendor of an expected period of time necessary to correct whatever problem is causing the database system to remain unavailable;

(ii) Contact the database vendor's toll-free help desk or voice response system to obtain a temporary transaction authorization number directly from the database vendor; and

(iii) Enter the remaining transactional data into the database system within 24 hours of obtaining the temporary transaction authorization number from the database vendor.

(c) In the event that either the department of financial institutions or the database vendor notifies you that the database system is unavailable and that all alternative methods for registering a transaction and receiving a transaction authorization number are also unavailable:

(i) You are authorized to conduct transactions during the specific period of unavailability, after receiving written authorization, via electronic mail or facsimile from either the department of financial institutions or the database vendor with the department of financial institutions' consent.

(ii) Copies of the written authorization for any transactions conducted during an unavailability period must be attached to the small loan agreement for those transactions. One copy of the authorization must be provided to the borrower and another copy must be kept as an audit record.

(d) Transactions created during a period of authorized unavailability must be registered with the database within 24 hours of notification that the database system is available; provided, however, that if the database system is unavailable for more than 24 hours, then the period for registration shall be extended by 24 hours for each additional 24-hour period of unavailability.

(e) Once the transaction has been registered with the database, the transaction number assigned to that transaction must be placed on the licensee's record copy of the small loan agreement signed by the borrower for that transaction. If the borrower requests that transaction number at any time, the licensee must provide it to the borrower.

(11) **Once a loan is made, how can it be canceled or rescinded as authorized under RCW 31.45.086?** A borrower may rescind a small loan agreement before the close of business on the next day of business after the date of the transaction without incurring a transaction fee. If a borrower elects to cancel a small loan agreement you must close the transaction on the database as soon as practicable after the borrower rescinds the small loan transaction. A loan that has been rescinded does not count toward the eight loan limit; nor will you incur a two dollar transaction fee on that loan. For the purpose of rescinding a loan, the date of the transaction is the date the borrower actually receives the proceeds either in person or by direct deposit or other electronic transfer of funds into the borrower's bank account.

(12) **When must I update information on the database system?**

(a) When a borrower's small loan is paid (date of cash received, check deposited, or ACH authorization initiated), you must update open transactions on the database system as soon as practicable to ensure that all identifying information regarding both the borrower and the transaction are accurate, including any comments on the transaction which you deem relevant. You must input the date and time a transaction closes, as well as the payment method, unless you previously entered the payment method.

(b) When a small loan that was in default is paid, it is considered paid when the loaned amount and default fee is paid.

(c) When a loan is in default, you must mark the loan in the database as in default as soon as practicable after the default as follow:

(i) A small loan is in default if not paid on the date and by the time indicated in the small loan agreement. If no time is indicated the small loan is in default the first day after the due date.

(ii) A small loan in an installment plan is in default if unpaid on the 11th day after the due date, with the due date being day zero. If the due date for an installment plan payment is January 1st and is not paid, the loan is considered in default and the database must be updated on January 11th.

(d) When you receive formal notice that a small loan has been discharged in bankruptcy you must close the loan as having been paid, leaving a comment in the comment box about the bankruptcy. Do not administratively close the loan. The loan must continue to count toward the borrower's eight loan limit.

(13) **How much will each database transaction cost me?** The database vendor's transaction fee is two dollars per loan registered. The database vendor will assess this fee for each transaction that has been registered on the database.

(14) **What happens if I do not pay the database fees to the database vendor?** The database vendor will lock you out of the database system.

(15) **What happens if I do not receive training and become certified in using the database?** If you or another designated person in the company do not receive training and certification to use the database, you will not be given an access number for the database.

[Statutory Authority: RCW 31.45.093, 31.45.200, and 43.320.040. WSR 25-04-038, s 208-630-556, filed 1/28/25, effective 3/1/25. Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-556, filed 4/29/16, effective 6/1/16. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-556, filed 12/1/09, effective 1/1/10.]

WAC 208-630-560 What disclosures must I make to a borrower? (1) You must deliver to the borrower at the time you make a small loan, a disclosure that meets the requirements of all applicable laws, including the federal Truth in Lending Act. Compliance with the federal Truth in Lending Act and Regulation Z, 12 C.F.R. Part 226, will be deemed in compliance with this subsection.

(2) You must deliver to the borrower at the time you make the small loan a disclosure of the right to rescind the loan and the right to convert the loan to an installment plan. See WAC 208-630-570.

(3) You must include a statement on the front page of the application for a small loan that is in at least twelve point type and is substantially similar to the following: "At the time you repay this loan, you should have sufficient funds to meet your other financial obligations. If you cannot pay other bills because you are paying off this debt, you should enter the installment plan offered in connection with this loan."

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-560, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-560, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165,

43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-560, filed 10/21/05, effective 11/21/05.]

WAC 208-630-570 What must be included in the disclosure referred to in WAC 208-630-560(2)? The disclosure must be substantially in the following form:

Your right to rescind (cancel) this loan. You have the right to rescind this loan by returning the amount of the loan in cash, or returning the check given to you by us to our office by the close of business on our next business day following the date of this loan. We may not charge you for canceling the loan and we will return to you, or at your request destroy any postdated check or electronic equivalent authorization you have given to us. If the ACH authorization cannot be destroyed it becomes void if you cancel the loan.

Your right to an installment plan when you are unable to pay your small loan when it is due.

If you will be or are unable to pay your loan when it is due, you may convert your loan to an installment plan with us by notifying us on or before the loan's due date. If your loan amount is four hundred dollars or less, you may enter into an installment plan that allows you to pay off your loan in substantially equal payments over ninety days. If your loan amount is more than four hundred dollars, you may enter into an installment plan that allows you to pay off your loan in substantially equal payments over one hundred eighty days.

An installment plan will allow you to pay all that you owe without having to pay any additional fees, interest charges or other charge for converting your small loan into an installment plan.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-570, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-570, filed 10/21/05, effective 11/21/05.]

WAC 208-630-580 In addition to providing disclosures to the borrower, must I post any disclosures? (1) If you make small loans you must post the following notices conspicuously at each location where small loans are made:

(a) A notice substantially in the form set forth in WAC 208-630-570; and

(b) A notice of how consumers may contact the department, substantially in the following form: "If you have questions about your rights and responsibilities when taking out a payday loan, contact the Department of Financial Institutions at 1-800-RINGDFI (1-877-746-4334), or 360-902-8700, or 150 Israel Road S.W., Tumwater, Washington, 98501."

(2) If you make small loans using the internet you must post the notices required by subsections (1) and (2) of this section in a conspicuous location on your websites.

(3) You may download a copy of the notice required by subsection (1)(b) of this section from the department's website or by contacting the department directly.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-580, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-580, filed

11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-580, filed 10/21/05, effective 11/21/05.]

WAC 208-630-590 How must I format disclosures? All disclosures must be presented in a manner and physical format that is clear, conspicuous and designed to call attention to each right and responsibility of the borrower and lender being disclosed. Except for the disclosure that is required on the application (see WAC 208-630-560(3)), such disclosures may be provided separately or included within the note or loan agreement.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-590, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-590, filed 10/21/05, effective 11/21/05.]

WAC 208-630-600 What documentation must a licensee keep to show that the licensee has made the proper disclosures? A licensee must maintain in its files sufficient information to show compliance with the consumer disclosure requirements of chapter 31.45 RCW, these rules, and state and federal law.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-600, filed 10/21/05, effective 11/21/05.]

WAC 208-630-601 Must I provide any information about the changes to the law to borrowers? Yes. Throughout 2010, when you take a small loan application or use any other form to initiate a small loan, or upon request by a borrower who has not yet made application for a small loan, you must provide to the borrower a written notice with content produced by the department, that describes the changes to the payday lending law due to chapter 510, Laws of 2009 (ESHB 1709). On subsequent loans to the same borrower, during 2010, you must make the information in the notice available to the borrower by providing the information in the lobby area accessible by the borrower in each licensed location or by inquiring whether the borrower would like another copy of the written notice. If you make small loans over the internet, you must make the content provided by the department available on your website throughout 2010. The department will provide the content of the notice in Spanish to be made available in the same manner described above. If the notice becomes available in other languages the department will notify all licensees and provide guidance as to its use.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-601, filed 12/1/09, effective 1/1/10.]

WAC 208-630-605 Must I maintain a business resumption plan? Yes. Licensees must have a written plan that details the company's response and recovery to any event that results in damage to or destruction of the books and records relating to the licensee's business

triggering the license requirement. The plan must be maintained as part of the licensee's books and records.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-605, filed 4/29/16, effective 6/1/16.]

WAC 208-630-606 Must I have a policy that deals with records disposal? Yes. Licensees must have written policies and procedures for the destruction of records relating to the licensee's business triggering the license requirement, including electronic records, when the two-year retention period ends. The destruction of records must be accomplished so that the information cannot be reconstructed or read. The destruction of consumer credit report information must also comply with the Federal Disposal Rule at 16 C.F.R. 682.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-606, filed 4/29/16, effective 6/1/16.]

REQUIREMENTS FOR ALL LICENSEES

WAC 208-630-610 What accounting and financial records must I keep? You must maintain the records in this section for at least two years.

(1) Generally, you must maintain the books, accounts, records, papers, documents, files, and other information relevant to the business.

(2) Specifically, you must maintain a record of transactions conducted. The record may be limited to the following provided a sufficient audit trail is available through records obtainable from your bank of account:

(a) Amount of the checks cashed;

(b) Amount of fees charged for cashing the check;

(c) Amount of cash deducted from the transaction for the sales of other services or products;

(d) Amount of each check or monetary instrument sold;

(e) Amount of fee charged for the monetary instrument;

(f) Amount of small loan proceeds disbursed;

(g) Fees charged for small loans;

(h) Amount of payments on small loans received;

(i) Origination date of each small loan;

(j) Termination date of each small loan;

(k) Installment plan payment due dates;

(l) Application information as required by rule;

(m) Records of cash payments made on small loans. The record must include the date of the payment, the borrower's name, the amount of cash received, the identity of the employee who received the cash, and whether the payment was applied to a loan or installment plan;

(n) Copies of receipts required under WAC 208-630-505.

(3) You must maintain a cash reconciliation summarizing each day's activity and reconciling cash on hand at the opening of business to cash on hand at the close of business. Such reconciliation must separately reflect cash received from the sale of checks, redemption of returned items, bank cash withdrawals, cash disbursed in cashing of

checks, cash disbursed in making small loans, cash received in payment of small loans and bank cash deposits.

(4) You must keep records of the disbursement of loan proceeds and the receipts of all payments on the balance of small loans. The receipt must indicate the date of the transaction, the borrower's name, amount of receipt, and whether the disbursement or payment is on a loan or installment plan.

(5) You must maintain copies of any service agreements with agents.

[Statutory Authority: Chapter 43.320 RCW and RCW 31.45.200. WSR 13-05-005, § 208-630-610, filed 2/6/13, effective 3/9/13. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-610, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-610, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-610, filed 10/21/05, effective 11/21/05.]

WAC 208-630-620 In what form must a licensee maintain accounting and financial records? Licensees may maintain records required in combined form, hand or machine posted, or automated, and licensees may maintain them on any electronic, magnetic, optical or other storage media. However the licensee must maintain the necessary technology to permit access to the records by the department for the period required by law.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-620, filed 10/21/05, effective 11/21/05.]

WAC 208-630-630 May the director ask a licensee for records regarding the previous day's transactions? Upon request of the director or director's designee a licensee must within one business day make available, either directly or through a third party, a record of the previous day's transactions.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-630, filed 10/21/05, effective 11/21/05.]

WAC 208-630-640 What specific accounting records must a licensee maintain? Licensees must maintain a general ledger containing records of all assets, liabilities, capital, income, and expenses. The licensee must post a general ledger from the daily record of checks cashed or other record of original entry, at least monthly, and it must be maintained in such manner as to facilitate the preparation of an accurate trial balance of accounts in accordance with generally accepted accounting practices.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-640, filed 10/21/05, effective 11/21/05.]

WAC 208-630-650 May a licensee maintain a consolidated general ledger if the licensee has two or more locations? A licensee may maintain a consolidated general ledger reflecting activity at two or more locations by the same licensee provided that the licensee maintain books of original entry separately for each location.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-650, filed 10/21/05, effective 11/21/05.]

WAC 208-630-660 What must a licensee have in employees' personnel files? Every licensee must maintain personnel files for its employees. Each file must contain the employee's full name, date of birth, date of hire and date of termination, last known address and Social Security number.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-660, filed 10/21/05, effective 11/21/05.]

WAC 208-630-670 If I have a small loan endorsement on my license, what information must I keep in every loan file? (1) If you have a small loan endorsement, each loan file must contain at least a record of the application, a record of the note or loan agreement, a record of the documentation used to substantiate the borrower's gross income, a record of the borrower's identification verification, a record of any disclosure statements, a record of an installment plan entered into, and records of the receipts required in WAC 208-630-505. As used in this section, "application" means any information you received from the borrower for the purposes of making a lending decision, including, but not limited to, personal employment history and credit history;

(2) Records required to be maintained may be in paper form or on any electronic, magnetic, optical or other storage media, or any combination thereof, so long as the licensee maintains the necessary technology to permit access to the records by the department for the period required by law.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-670, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-670, filed 10/21/05, effective 11/21/05.]

WAC 208-630-680 Are there specific banking requirements for check sellers? All monetary instruments issued by check sellers must be drawn on a financial institution domiciled in the United States.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-680, filed 10/21/05, effective 11/21/05.]

WAC 208-630-690 When must a check casher deposit a monetary instrument? Once a licensee cashes a monetary instrument the licensee

must send the monetary instrument for deposit to the licensee's account at a depository financial institution located in Washington state or send it for collection not later than the close of business on the third business day after the day on which the licensee accepted the monetary instrument for cash. This subsection does not apply if the licensee accepted the monetary instrument as part of a small loan transaction under chapter 31.45 RCW.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-690, filed 10/21/05, effective 11/21/05.]

WAC 208-630-700 When may I deposit a monetary instrument accepted in the course of making a small loan? (1) If you have a small loan endorsement you may not deposit a monetary instrument accepted in the course of making a small loan under the act prior to the due date of the small loan or any date disclosed on the note or small loan agreement.

(2) If the borrower notifies you that he or she is unable to repay the loan when it is due and an installment plan is initiated, you must return or destroy any postdated check or ACH authorization the borrower has given you prior to entering into the installment plan. If destruction of an ACH authorization is not possible, the initiation of an installment plan voids your authorization to use the original ACH authorization. You may accept another ACH authorization or authorizations from the borrower consistent with the payment terms of the installment plan.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-700, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-700, filed 10/21/05, effective 11/21/05.]

WAC 208-630-710 What other federal and state laws and regulations must a licensee comply with? Each licensee must comply with applicable federal and state laws including, but not limited to, applicable provisions of the following:

(1) Washington laws: Chapter 63.29 RCW, the Uniform Unclaimed Property Act.

(2) Federal Laws and Regulations:

• "Bank Secrecy Act (BSA)" means the Currency and Foreign Transactions Reporting Act, 31 U.S.C. Sec. 5311-5330 and 12 U.S.C. Sec. 1818(s), and 1951-1959, 31 C.F.R. Part 103.

• "Department of Defense Military Borrower Rules" means Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007 and 32 C.F.R. Part 232.

• "Equal Credit Opportunity Act" means the Equal Credit Opportunity Act (ECOA), 15 U.S.C. Sec. 1691 et seq., Regulation B, 12 C.F.R. Part 202.

• "Fair Credit Reporting Act" means the Fair Credit Reporting Act (FCRA), 15 U.S.C. Sec. 1681 et seq.

• "Federal Trade Commission Act" means the Federal Trade Commission Act, 15 U.S.C. Sec. 45(a).

• "Gramm-Leach-Bliley Act (GLBA)" means the Financial Modernization Act of 1999, 15 U.S.C. Sec. 6801-6809, and the GLBA-mandated Federal Trade Commission (FTC) privacy rules, at 16 C.F.R. Parts 313-314.

• "Telemarketing and Consumer Fraud and Abuse Prevention Act" means the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. Sec. 6101-6108, Telephone Sales Rule, 16 C.F.R. Part 310.

• "Truth in Lending Act" means the Truth in Lending Act (TILA), 15 U.S.C. Sec. 1601 et seq., Regulation Z, 12 C.F.R. Part 226 et seq.

[Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-710, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-710, filed 10/21/05, effective 11/21/05.]

WAC 208-630-712 When must a licensee obtain identifying information about its customers? Each licensee must obtain, verify and maintain records of identifying information about its customers to the extent required by applicable law, including, without limitation, in the following situations:

(1) When completing and filing suspicious activity reports (SARs) of any suspicious transaction relevant to a possible violation of any law or regulation, as required by 31 C.F.R. Section 103.20.

(2) When completing and filing currency transaction reports (CTRs) for transactions involving more than ten thousand dollars in currency in any one day, as required by 31 C.F.R. Section 103.22.

(3) When issuing or selling one or more checks or drafts, cashier's checks, money orders, or traveler's checks for three thousand dollars or more, in currency in any one day, as required by 31 C.F.R. Section 103.29.

[Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-712, filed 11/20/07, effective 12/21/07.]

WAC 208-630-715 What are the minimum requirements of an information security program required by the Federal Safeguards Rule implementing the Gramm-Leach-Bliley Act? (1) Generally, applicants and licensees must have a written program appropriate to the company's size and complexity, the activity conducted, and the sensitivity of information at issue. The program must ensure the information's security and confidentiality, protect against anticipated threats or hazards to the security or integrity of the information, and protect against unauthorized access to or use of the information.

(2) Specifically, at a minimum the plan described in subsection (1) of this section must:

(a) Designate an employee or employees to coordinate the information security program;

(b) Identify and assess the risks to customer information;

(c) Design and implement safeguards to control the risks identified in the risk assessment and regularly monitor and test the safeguards;

(d) Select service providers that can maintain appropriate safeguards and oversee their handling of customer information; and

(e) At least annually evaluate and adjust the program in light of relevant circumstances, including changes in business operations, or

the results of testing and monitoring the effectiveness of the implemented safeguards.

(3) The information security plan must be maintained as part of your books and records.

(4) Compliance with the federal Gramm-Leach-Bliley Act and Regulation P, 12 C.F.R. Part 1016, will be deemed compliance with this subsection.

(5) For more information access the FTC website on the Safeguards Rule at: https://www.ftc.gov/tips-advice/business-center/guidance/financial-institutions-customer-information-complying and see 16 C.F.R. 314.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-715, filed 4/29/16, effective 6/1/16.]

WAC 208-630-716 What are the minimum requirements for Consumer Financial Information Privacy under the Gramm-Leach-Bliley Act (Regulation P)? Licensees must comply with Regulation P.

(1) At a minimum, licensees must:

(a) Provide customers with initial and annual notices regarding their privacy policies. These notices describe whether and how the licensee shares consumers' nonpublic personal information, including personally identifiable financial information, with other entities; and

(b) If licensees share certain customer information with particular types of third parties, the institutions are also required to provide notice to their customers and an opportunity to opt out of the sharing. If a licensee limits its types of sharing to those which do not trigger opt-out rights, it may provide a "simplified" annual privacy notice to its customers that does not include opt-out information. If a licensee's privacy policy has not changed, additional notices may not be required.

(2) Compliance with the federal Gramm-Leach-Bliley Act and Regulation P, 12 C.F.R. Part 1016, will be deemed compliance with this subsection.

(3) See Regulation P at 12 C.F.R. 1016 for the required details.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-716, filed 4/29/16, effective 6/1/16.]

WAC 208-630-717 Must a licensee provide notice to consumers if its data is compromised? Maybe. If the licensee's data is compromised the licensee may be subject to chapter 19.255 RCW and may have to provide notices to consumers whose information was acquired. Under certain circumstances notice of the breach may also be required by the attorney general's office.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-717, filed 4/29/16, effective 6/1/16.]

WAC 208-630-720 Is a licensee required to register as a money service business with the Secretary of the Treasury? Licensees may be required to register as a money services business (MSB) under the Bank Secrecy Act, 31 U.S.C. Section 5330, or any regulations promulgated

thereunder. Generally, an MSB is a business that cashes checks or exchanges currency (other than as an agent for another business) in an amount greater than one thousand dollars in currency or monetary or other instruments for any person on any day, in one or more transactions.

[Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-720, filed 11/20/07, effective 12/21/07. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-720, filed 10/21/05, effective 11/21/05.]

WAC 208-630-721 If a licensee is considered a money service business (MSB) under the Bank Secrecy Act (see WAC 208-630-720), what are the minimum requirements for the anti-money laundering program the licensee must develop? A licensee who qualifies as a money services business under the Bank Secrecy Act must develop, implement, and maintain an effective anti-money laundering program consistent with federal law and the requirements of 31 C.F.R. Section 103.125.

[Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-721, filed 11/20/07, effective 12/21/07.]

WAC 208-630-730 What records and actions does a licensee need to take to assure the licensee is correctly reporting under the Bank Secrecy Act? Each licensee shall maintain detailed records to satisfy currency transaction reporting and suspicious activity reporting requirements of the United States Treasury Department.

Each licensee shall implement an antimoney laundering program that includes the development of internal policies, procedures and controls, training of employees, the appointment of a compliance officer, and the appointment of an external reviewer of the antimoney laundering program if required by 31 U.S.C. Section 5318(h).

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-730, filed 10/21/05, effective 11/21/05.]

WAC 208-630-740 What obligation do I have to assure that employees comply with the laws and rules regarding payday lending and check cashing and selling? Because you are responsible for their actions, including violations, you must ensure that any employee or person who engages in business on your behalf (including agents) under the authority granted by chapter 31.45 RCW has sufficient understanding of the law and rules to assure compliance.

[Statutory Authority: Chapter 43.320 RCW and RCW 31.45.200. WSR 13-05-005, § 208-630-740, filed 2/6/13, effective 3/9/13. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-740, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-740, filed 10/21/05, effective 11/21/05.]

PROHIBITED PRACTICES

WAC 208-630-8201 What business practices are prohibited? (1) It is a violation of this chapter for any person subject to this chapter to:

(a) Directly or indirectly employ any scheme, device, or artifice to defraud or mislead any borrower, to defraud or mislead any lender, or to defraud or mislead any person;

(b) Directly or indirectly engage in any unfair or deceptive practice toward any person;

(c) Directly or indirectly obtain property by fraud or misrepresentation;

(d) Make a small loan to any person physically located in Washington through use of the internet, facsimile, telephone, kiosk, or other means without first obtaining a small loan endorsement;

(e) Accept applications or referrals from an agent or pay for any services provided on your behalf by an agent without first verifying that the agent is licensed under the act;

(f) Directly or indirectly refer a borrower, or encourage a borrower, to use the services of more than one payday lending business that results in an amount outstanding that exceeds the loan limit in RCW 31.45.073;

(g) Directly or indirectly structure a loan transaction in order to exceed the loan limit in RCW 31.45.073;

(h) Directly or indirectly pressure a borrower to not enter into an installment plan;

(i) Directly or indirectly pressure an applicant or borrower to borrow more money than they state they want; provided, it is not a violation of this subsection for a licensee to inform a borrower as to his or her maximum loan amount or that he or she is subject to a limit of eight loans per twelve-months period;

(j) Cash a postdated check before the date written on the check except as permitted by RCW 31.45.070(2);

(k) Make a loan without processing it through the database system except as specifically allowed in law or rule;

(l) Refuse to provide an installment plan to a borrower who has notified you before the due date of the small loan that they cannot pay the small loan; and

(m) Engage in any device or subterfuge to evade the requirements of the act.

(2) In addition to any other penalties, any transaction in violation of subsection (1)(d) of this section is uncollectible and unenforceable.

[Statutory Authority: Chapter 43.320 RCW and RCW 31.45.200. WSR 13-05-005, § 208-630-8201, filed 2/6/13, effective 3/9/13. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-8201, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040. WSR 07-23-094, § 208-630-8201, filed 11/20/07, effective 12/21/07.]

REPORTING REQUIREMENTS

WAC 208-630-830 What are my annual reporting requirements? On or before April 15th of each year, you must submit the following reports:

(1) Annual financial statements. The financial statements must include at least a balance sheet and a statement of income prepared in accordance with generally accepted accounting principles. If you have established a fiscal year different from the calendar year, the financial statements are due not later than one hundred five days after the close of the fiscal year.

(2) Annual assessment report (AAR). You must submit an AAR on your Washington activities, in a form prescribed by the director. The AAR must contain the following:

(a) The total dollar volume of checks cashed during the period, if applicable; and

(b) The total dollar volume of checks sold during the period, if applicable; and

(c) The total dollar volume of small loans made during the period, if applicable; and

(d) The annual assessment fee calculation. See WAC 208-630-400.

(3) Consolidated annual report (CAR). You must submit a CAR on your Washington activities, in a form prescribed by the director. The CAR must contain at least the following:

(a) For all licensees, the CAR must contain:

(i) The total number of employees and annual payroll during the period;

(ii) The total number and dollar volume of transactions during the period;

(iii) The total dollar amount of fees collected during the period;

(iv) The total number and dollar amount of undeposited checks taken or held in connection with check cashing and small loan endorsement business at the end of the period;

(v) The total number and dollar amount of returned (NSF) checks taken or held in connection with check cashing and small loan business at the end of the period, and the total dollar amount of fees collected for returned (NSF) checks during the period;

(vi) The total number and dollar amount of charge-offs (losses), net of any recoveries, for the period; and

(vii) The total dollar amount of net income before and after taxes earned under authority of this chapter.

(viii) Such other relevant information as the director may require, in a form prescribed by the director.

(b) For all licensees with a small loan endorsement, the CAR must contain:

(i) The total dollar volume of small loans made during the period, including payment plans made prior to December 31, 2009, and installment plans made after January 1, 2010;

(ii) The total number of loans made for the period;

(iii) The total number of borrowers for the period;

(iv) The number of borrowers whose accounts were referred to collection agencies;

(v) The number of loans rescinded during the period;

(vi) For reporting year 2010, the number of borrowers who entered into a payment plan during 2009;

(vii) The number of installment plans entered into for the period;

(viii) The number of borrowers who defaulted;

(ix) The number of loans made to borrowers to be paid through an ACH (automated clearing house) or other electronic transaction;

(x) The number of loans made to borrowers through other than a physical visit to the licensee's location (e.g., internet, telephone, etc.); and

(xi) The number of active military borrowers during the period.

(c) For all licensees with small loan endorsements and total loan volume of at least ten million dollars in principal for the reporting period, the CAR must contain the following:

(i) The number of loans per borrower for the period;

(ii) The number of loans per military borrower during the period; and

(iii) The number of loans with terms in each of the following categories for the period:

(A) One to seven days;

(B) Eight to fourteen days;

(C) Fifteen to twenty-one days;

(D) Twenty-two to thirty-one days; and

(E) Thirty-two or more days.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-830, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040. WSR 08-16-092, § 208-630-830, filed 8/5/08, effective 9/5/08. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-830, filed 10/21/05, effective 11/21/05.]

WAC 208-630-8301 What happens if I am late filing the annual reports and paying the annual assessment? If you do not file the financial statements (if due at that time), assessment report, consolidated annual report, and pay the annual assessment fee by April 15 of each year, the director will send you a notice of suspension and assess a late fee of twenty-five percent of the annual assessment fee. The reports and payment of both the annual assessment fee and any late fee must arrive in the department's offices by 5:00 p.m. on the tenth day after April 15, unless the department is not open for business on that date, then the reports and payment of both the annual assessment fee and any late fee must arrive in the department's offices by 5:00 p.m. on the next day the department is open for business.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-8301, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 43.320.040. WSR 08-16-092, § 208-630-8301, filed 8/5/08, effective 9/5/08.]

WAC 208-630-835 When must I inform the director of significant changes in my business? (1) You must notify the director in writing within five days of the occurrence of any of the following significant developments:

(a) Your company filing for a chapter 7 or 11 bankruptcy;

(b) Your company receiving notification of a license revocation procedure against it in any state;

(c) You, or a director, officer, partner, member or controlling person of the company being convicted of a crime;

(d) You, or a director, officer, partner, member or controlling person of the company receiving notification of the filing of criminal charges or a criminal indictment or information, in any way related to check cashing, check selling or small loan activities.

(2) You must notify the director in writing at least fifteen days prior to a change of control. In the case of a corporation, control is defined as a change of ownership by a person or group acting in concert to acquire fifty percent of the stock, or the ability of a person or group acting in concert to elect a majority of the board directors or otherwise effect a change in policy of the corporation. The director may require such information as deemed necessary to determine whether a new application is required. In the case of entities other than corporations, change in control means any change in controlling persons of the organization, either active or passive. Change of control investigation fees are billed to the persons or group at the rate billed for applications.

(3) Other. Post notification. Within forty-five days of a data breach you must notify the director in writing. This notification requirement may change based on directives or recommendations from law enforcement. See also WAC 208-630-717.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-835, filed 4/29/16, effective 6/1/16. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-835, filed 12/1/09, effective 1/1/10.]

WAC 208-630-836 When ceasing my small loan business, what information must I file before I close the business? (1) You must notify the department at least thirty days before ceasing operations. The notice must be in writing, signed by a principal of the small loan licensee, and include the following:

(a) The date you will cease small loan activity;

(b) A list of all open and pending transactions;

(c) Your contact address and email address; and

(d) Your plan for the orderly closure of open loans on the database system.

(2) For purposes of this section, the term "ceasing operations" means that you have closed the offices to the public or have removed public access to the website, if such access is the sole means of communication with customers. This provision does not apply if you have given customers a reasonable alternative for communications and payments.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.45.200. WSR 16-10-046, § 208-630-836, filed 4/29/16, effective 6/1/16. Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-836, filed 12/1/09, effective 1/1/10.]

WAC 208-630-840 Who may a licensee hire to prepare the financial statements in the annual report? Financial statements contained in

the annual report may be prepared by outside accountants or by the licensee's own accountants.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-840, filed 10/21/05, effective 11/21/05.]

WAC 208-630-880 As a check seller what must I report when my license is surrendered or revoked? If you are engaged in the business of selling monetary instruments you must submit to the director, at your own expense, a closing annual report containing audited financial statements as of the effective date of the surrender or revocation. The director must receive the closing annual report on or before one hundred five days after the effective date of the surrender or revocation. The closing annual report must cover the twelve months ending with the surrender or revocation date or for such other time period as the director may specify. If the report, certificate, or opinion of the independent accountant is in any way qualified, the director may require you to take such action as appropriate to permit an independent accountant to remove any qualification from the report, certificate, or opinion. The report shall include relevant information specified by the director.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-880, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-880, filed 10/21/05, effective 11/21/05.]

WAC 208-630-890 If I am not a check seller what must I report when my license is surrendered or revoked? If you are not engaged in the business of selling monetary instruments you must submit to the director at your own expense a closing annual report covering the twelve months ending with the surrender or closure date, or for such other time period as the director may specify. The closing annual report must be received by the director on or before one hundred five days after the effective date of surrender or revocation. Financial statements contained in this closing report may be prepared by outside accountants or by your own accountants.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-890, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-890, filed 10/21/05, effective 11/21/05.]

WAC 208-630-910 May I request an extension of time to comply with the reporting requirements? For good cause and upon written request, the director may extend the time for compliance with reporting requirements if you make the request at least ten days prior to the date the report is due.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-910, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-910, filed 10/21/05, effective 11/21/05.]

WAC 208-630-920 Under what circumstances would a licensee submit unaudited financial statements to the director? A licensee shall, when requested by the director, for good cause, submit its unaudited financial statement, prepared in accordance with generally accepted accounting principles and consisting of at least a balance sheet and statement of income as of the date and for the period specified by the director.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-920, filed 10/21/05, effective 11/21/05.]

WAC 208-630-930 When may the director reject financial statements and other reports submitted to the director by the licensee? The director may reject any financial statement, report, certificate, or opinion filed pursuant to this section. The director must notify the licensee or other person required to make such filing of its rejection and the cause thereof.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-930, filed 10/21/05, effective 11/21/05.]

WAC 208-630-940 How much time does a licensee have to correct the deficiency in financial statements or other reports? Within thirty days after the receipt of such notice, the licensee or other person shall correct such deficiency. The director shall retain a copy of all filings so rejected.

[Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-940, filed 10/21/05, effective 11/21/05.]

WAC 208-630-950 What trust accounting requirements must a I comply with?

(1) At least monthly a licensee in the business of selling checks must withdraw from the trust account an amount equal to fees earned for the corresponding period from the sale of monetary instruments. The remaining balance of the trust account must be sufficient to cover all monetary instruments that remain outstanding and drawn against the trust account.

(2) A licensee is prohibited from allowing the financial institution holding the trust account to charge back checks or drafts deposited to the trust account and subsequently dishonored against the trust account.

(3) A licensee whose license has expired or been suspended or terminated must not make withdrawals from the trust account without the director's consent, until a closing report has been received according to these rules.

[Statutory Authority: RCW 43.320.040, 31.45.200, and 2009 c 510. WSR 09-24-089, § 208-630-950, filed 12/1/09, effective 1/1/10. Statutory Authority: RCW 31.04.165, 43.320.040, 31.45.030, 31.45.050, 31.45.200. WSR 05-22-009, § 208-630-950, filed 10/21/05, effective 11/21/05.]