



February 20, 2014

Chair Prozanski and Members of the Committee, I am Pam Leavitt representing the Northwest Credit Union Association. We are here in support of HB4103A. I have provided you background and also want to refer you to testimony presented to this Committee on November 22, 2013 by OnPoint Community Credit Union (attached) as background on the issue this bill is addressing.

We understand the new and used auto dealers are interested in amending the bill and we are supportive of any efforts to make this a collaborative process to make sure all interested parties can support the bill. Our goals in any final bill are:

- 1) Give the credit union a legal claim against the lien claimant (repair shop) if the lien claimant doesn't give notice of the sale to the credit union.
- 2) Include attorney fees as part of the claim that the credit union has for not giving notice.
- 3) Require the lien claimant to provide detail for the amount of the lien as part of the notice process.

Here are some general comments on the amended bill:

- HB 4103 is intended to address two problems related to towing and mechanics liens, mostly with respect to vehicles: a) lienholder doesn't give proper notice of sale to owner or to secured party (i.e. credit union, bank, or other lender); and b) assertion of liens for highly inflated amounts or for services not rendered at all. Current law provides that if the notice isn't given to a secured party, the vehicle remains subject to the secured party's lien. Asserting that lien against an innocent buyer is often not a fruitful approach. There is no strong enforcement mechanism related to the lienholder that conducted the improper sale.
- The amended bill try a different approach, making failure to give proper notice a violation of the UTPA, and permitting an owner or secured party to stop the sale if they did not agree to the services provided or if the amount of the charges is not reasonable.

Thank you, Pam Leavitt, Northwest Credit Union Association, 503-887-2336