

HOUSE BILL REPORT

SHB 1337

As Passed House:
February 17, 1995

Title: An act relating to deregulating debt adjusters.

Brief Description: Deregulating debt adjusters.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Lisk, Cole, Conway, Fuhrman, Sheahan, Romero, Jacobsen and Wolfe; by request of Department of Licensing).

Brief History:

Committee Activity:

Financial Institutions & Insurance: 1/30/95, 2/1/95 [DPS].

Floor Activity:

Passed House: 2/17/95, 94-0.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives L. Thomas, Vice Chairman; Beeksma, Vice Chairman; Smith, Vice Chairman; Wolfe, Ranking Minority Member; Campbell, Assistant Ranking Minority Member; Benton; Costa; Dellwo; Dyer; Huff; Kessler; Mielke and Pelesky.

Staff: Charlie Gavigan (786-7340).

Background: Debt adjusters provide advice to persons in debt or help these persons manage or liquidate debts. Debt adjusters are licensed and regulated by the Department of Licensing. A debt adjuster must provide a surety bond of \$10,000. Fees charged by the debt adjuster are limited by statute to 15 percent of payments made by or on behalf of the debtor. Statutory provisions allow the director of the Department of Licensing to revoke a debt adjuster's license under specified conditions.

Summary of Bill: Debt adjusters are deregulated; provisions requiring that debt adjusters be licensed and regulated by the Department of Licensing are repealed. The consumer protection provisions regarding debt adjusters are maintained. The Attorney General's Office may investigate complaints regarding debt adjusters.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill deregulates an industry while still protecting consumers. There currently is only one debt adjustor business operating in Washington.

Testimony Against: None.

Testified: Michael C. Collins, Department of Licensing (pro).