

SENATE BILL REPORT

SB 5265

As of January 17, 1995

Title: An act relating to deregulating debt adjusters.

Brief Description: Deregulating debt adjusters.

Sponsors: Senators Pelz, Newhouse, Heavey, Wood and West; by request of Department of Licensing.

Brief History:

Committee Activity: Labor, Commerce & Trade: 1/19/95.

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Staff: Traci Ratzliff (786-7452)

Background: Debt adjusters help debtors to 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: Provisions requiring that debt adjusters be licensed, obtain a bond, and be regulated by the Department of Licensing are repealed. The Attorney General's Office may investigate debt adjusters.

Appropriation: None.

Fiscal Note: Requested on January 16, 1995.

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