

# HOUSE BILL REPORT

## HB 1337

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### As Reported By House Committee On:

Financial Institutions & Insurance

**Title:** An act relating to deregulating debt adjusters.

**Brief Description:** Deregulating debt adjusters.

**Sponsors:** 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].

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## 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 Substitute 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are deregulated; provisions requiring that debt adjusters be licensed and regulated by the Department of Licensing are repealed.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.

**Substitute Bill Compared to Original Bill:** An obsolete statutory reference is removed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute 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).