

ESSB 5321 - H COMM AMD

By Committee on Business & Financial Services

1 On page 4, beginning on line 10, after "relationship" strike all  
2 material through "business" on line 12 and insert "while performing  
3 services solely incidental to the practice of their professions"

4 Beginning on page 12, line 40, after "debt." strike all material  
5 through "payment." on page 13, line 6

6 On page 13, line 7, after "(6)" insert "The sum of all fees  
7 charged pursuant to either subsection (5)(c)(i) or (ii) of this  
8 section may not exceed thirty percent of the principal amount of the  
9 debt.

10 (7)"

11 Renumber the remaining subsections consecutively and correct any  
12 internal references accordingly.

13 On page 22, at the beginning of line 32, strike "~~((or))~~ and" and  
14 insert "or"

15 On page 22, line 34, after "debtor." insert ""Debt adjusting"  
16 does not include services provided by a debt settlement company  
17 licensed under chapter 18.--- RCW (the new chapter created in section  
18 38 of this act) and acting as an intermediary between an individual  
19 and one or more unsecured creditors of the individual for the purpose  
20 of (a) obtaining negotiated concessions involving a reduction in  
21 principal of the individual's unsecured debt, and (b) securing the  
22 discharge of such debt upon the individual's performance of the  
23 negotiated concessions."

EFFECT: Amends the exemption for attorneys to apply only when the services are solely incidental to the attorney's practice rather than when the attorney does not solicit debt settlement business.

Caps fees a debt settlement services provider may collect at 30 percent of the debt at the time the client entered the debt settlement program.

Restores existing language in the definition of "debt adjusting" such that the definition applies to persons either managing or settling a debt or receiving money for distribution to creditors.

Expressly excludes debt settlement services by a licensed provider from the definition of debt adjusting.

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