

HOUSE BILL REPORT

HB 2557

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to deregulating debt adjusters.

Brief Description: Deregulating debt adjusters.

Sponsors: Representatives Zellinsky and Dunshee; by request of Department of Licensing.

Brief History:

Reported by House Committee on:
Financial Institutions & Insurance, January 31, 1994,
DPS.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Zellinsky, Chair; Scott, Vice Chair; Mielke, Ranking Minority Member; Anderson; Dellwo; Dorn; Grant; R. Johnson; Kessler; Kremen; Lemmon; R. Meyers; Schmidt; Tate and L. Thomas.

Minority Report: Without recommendation. Signed by 1 member: Representative Dyer, Assistant Ranking Minority Member.

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are deregulated; provisions requiring that debt adjusters be licensed and regulated by the Department of Licensing are repealed.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 Attorney General's Office may investigate debt adjusters.

Substitute Bill Compared to Original Bill: The substitute bill corrects a statutory reference.

Fiscal Note: Available.

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

Testimony For: This bill will save the state money by eliminating a program that regulates only one licensee. The attorney general can investigate problems.

Testimony Against: None.

Witnesses: Mike Collins, Department of Licensing (supports).