

SENATE BILL REPORT

SHB 2557

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 22, 1994

Brief Description: Deregulating debt adjusters.

SPONSORS: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Zellinsky and Dunshee; by request of Department of Licensing)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Deccio, Fraser, Pelz, Sellar, Sutherland and Vognild.

Staff: Catherine Mele (786-7470)

Hearing Dates: February 22, 1994

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:

Provisions requiring that debt adjusters be licensed and regulated by the Department of Licensing are repealed.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.

Appropriation: none

Revenue: none

Fiscal Note: available

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

TESTIFIED: Mike Collins, Department of Licensing (pro)