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**SUBSTITUTE SENATE BILL 6155**

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**State of Washington**

**62nd Legislature**

**2012 Regular Session**

**By** Senate Financial Institutions, Housing & Insurance (originally sponsored by Senators Kilmer, Carrell, Hobbs, Kastama, Regala, Fain, Conway, and Keiser)

READ FIRST TIME 01/26/12.

1 AN ACT Relating to the definition of debt adjuster; and amending  
2 RCW 18.28.010.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 18.28.010 and 1999 c 151 s 101 are each amended to  
5 read as follows:

6 Unless a different meaning is plainly required by the context, the  
7 following words and phrases as hereinafter used in this chapter shall  
8 have the following meanings:

9 (1) "Debt adjusting" means the managing, counseling, settling,  
10 adjusting, prorating, or liquidating of the indebtedness of a debtor,  
11 or receiving funds for the purpose of distributing said funds among  
12 creditors in payment or partial payment of obligations of a debtor.

13 (2) "Debt adjuster", which includes any person known as a debt  
14 pooler, debt manager, debt consolidator, debt prorater, or credit  
15 counselor, is any person engaging in or holding himself or herself out  
16 as engaging in the business of debt adjusting for compensation. The  
17 term shall not include:

18 (a) Attorneys-at-law, escrow agents, accountants, broker-dealers in

1 securities, or investment advisors in securities, while performing  
2 services solely incidental to the practice of their professions;

3 (b) Any person, partnership, association, or corporation doing  
4 business under and as permitted by any law of this state or of the  
5 United States relating to banks, consumer finance businesses, consumer  
6 loan companies, trust companies, mutual savings banks, savings and loan  
7 associations, building and loan associations, credit unions, crop  
8 credit associations, development credit corporations, industrial  
9 development corporations, title insurance companies, or insurance  
10 companies;

11 (c) Persons who, as employees on a regular salary or wage of an  
12 employer not engaged in the business of debt adjusting, perform credit  
13 services for their employer;

14 (d) Public officers while acting in their official capacities and  
15 persons acting under court order;

16 (e) Any person while performing services incidental to the  
17 dissolution, winding up or liquidation of a partnership, corporation,  
18 or other business enterprise;

19 (f) Nonprofit organizations dealing exclusively with debts owing  
20 from commercial enterprises to business creditors;

21 (g) Nonprofit organizations engaged in debt adjusting and which do  
22 not assess against the debtor a service charge in excess of fifteen  
23 dollars per month;

24 (h) Independent entities that hold or administer a dedicated bank  
25 account as provided for by 16 C.F.R. Sec. 310.4(a)(5)(ii), as existing  
26 on the effective date of this section, and are licensed under chapter  
27 19.230 RCW.

28 (3) "Debt adjusting agency" is any partnership, corporation, or  
29 association engaging in or holding itself out as engaging in the  
30 business of debt adjusting.

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