
Civil Rights & Judiciary Committee

SHB 2476

Brief Description: Concerning debt buyers.

Sponsors: House Committee on Civil Rights & Judiciary (originally sponsored by Representatives Walen, Duerr, Kloba, Kilduff, Leavitt, Lekanoff, Orwall, Davis, Doglio, Frame, Macri, Goodman and Ormsby).

Brief Summary of Bill

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- Act.

Hearing Date:

Staff: Ingrid Lewis (786-7289).

Background:

In Washington collection agencies are regulated by the Collection Agency Act (CAA). The CAA creates a licensing system for collection agencies, establishes a regulatory board, sets forth requirements and prohibited practices, and provides remedies. "Collection agency" means and includes: 1. any person directly or indirectly engaged in soliciting claims for collection, or collecting or attempting to collect claims owed or due or asserted to be owed or due another person;

"Claim" means any obligation for the payment of money or thing of value arising out of any agreement or contract, express or implied. This includes personal, household, family, and business debts. No person or business may act as a collection agency without first acquiring a license from the Department of Licensing (DOL). The DOL may deny, revoke, not renew, or suspend licenses for reasons related to conduct, financial circumstances, and noncompliance with

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the law.

Summary of Substitute Bill:

Debt Buyers.

The label "debt buyer" is given to one of the types or categories of "collection agency" (the fourth in the list above). This new term, "debt buyer," is specifically defined under the Collection Agency Act (CAA) to mean any person or entity that is engaged in the business of purchasing delinquent or charged off claims for collection purposes, whether it collects the claims itself or hires a third party for collection or an attorney for litigation in order to collect such claims.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.