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**SENATE BILL 5720**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senators Pedersen and Warnick; by request of Uniform Law Commission

1 AN ACT Relating to the uniform consumer debt default judgments  
2 act; amending RCW 19.16.260; and adding a new chapter to Title 4 RCW.

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

4 NEW SECTION. **Sec. 1.** TITLE. This chapter may be known and cited  
5 as the uniform consumer debt default judgments act.

6 NEW SECTION. **Sec. 2.** DEFINITIONS. In this chapter:

7 (1) "Charge off" means a creditor's removal of a consumer debt as  
8 an asset from the creditor's financial records.

9 (2) "Consumer" means an individual named as a defendant in an  
10 action for collection of a consumer debt to which this chapter  
11 applies.

12 (3) "Consumer debt" means an obligation or alleged obligation of  
13 an individual to pay money that arises out of a transaction in which  
14 the money, property, insurance, or service that is the subject of the  
15 transaction is primarily for a personal, family, or household  
16 purpose.

17 (4) "Creditor" means a person to which a consumer debt is owed at  
18 the time of the itemization date. If the debt is owed to a debt  
19 purchaser on the itemization date, the "creditor" is the person to

1 whom the debt was owed immediately prior to the time the debt was  
2 purchased or acquired by a debt purchaser.

3 (5) "Debt purchaser" means a person who purchased or acquired  
4 ownership of the debt after the debt was charged off, or if the debt  
5 was not charged off, after the time of default.

6 (6) "Electronic" means relating to technology having electrical,  
7 digital, magnetic, wireless, optical, electromagnetic, or similar  
8 capabilities.

9 (7) "Finance charge" has the meaning in section 106 of the truth  
10 in lending act, 15 U.S.C. Sec. 1605.

11 (8) "Itemization date" means any of the following:

12 (a) Date of charge off;

13 (b) Date of any default or date the creditor becomes aware of any  
14 default;

15 (c) Date of disposition of property that secured the debt;

16 (d) Date of last statement provided by the creditor;

17 (e) Date of last payment;

18 (f) Date of transaction;

19 (g) Date of any arbitration award; or

20 (h) Date of assignment or transfer of the debt to a third party  
21 for the purposes of the third party collecting the debt for the  
22 assignor or transferor.

23 (9) "Outstanding balance" means the amount owed on a consumer  
24 debt on the itemization date.

25 (10) "Medical debt" means any obligation for the payment of money  
26 owed by a consumer to a person whose primary business is providing  
27 medical services, products, or devices, or to such person's agent or  
28 assignee, for the provision of such medical services, products, or  
29 devices.

30 (11) "Person" means an individual, estate, business or nonprofit  
31 entity, government or governmental subdivision, agency, or  
32 instrumentality, or other legal entity.

33 (12) "Record" means information:

34 (a) Inscribed on a tangible medium; or

35 (b) Stored in an electronic or other medium and retrievable in  
36 perceivable form.

37 (13) "Secured consumer debt" means a consumer debt secured by  
38 real or personal property.

39 (14) "Sign" means, with present intent to authenticate or adopt a  
40 record:

- 1 (a) Execute or adopt a tangible symbol; or
- 2 (b) Attach to or logically associate with the record an
- 3 electronic symbol, sound, or process.
- 4 (15) "Unsecured consumer debt" means a consumer debt not secured
- 5 by real or personal property.

6 NEW SECTION. **Sec. 3.** SCOPE. (1) Except as provided in  
7 subsection (2) of this section, this chapter applies to the award of  
8 a default judgment in an action for collection of:

- 9 (a) An unsecured consumer debt;
- 10 (b) A secured consumer debt if the action is brought solely to
- 11 obtain a money judgment; or
- 12 (c) A deficiency that remains after disposition of property that
- 13 secured a consumer debt.

14 (2) This chapter does not apply to:

- 15 (a) An action to take possession of or dispose of real or
- 16 personal property, even if the action includes a request for a money
- 17 judgment; or
- 18 (b) An action to collect a debt owed to a government,
- 19 governmental subdivision, or agency in which the government,
- 20 governmental subdivision, or agency is the plaintiff.

21 NEW SECTION. **Sec. 4.** COMPLAINT REQUIREMENTS. (1) A default  
22 judgment in an action to which this chapter applies may be entered  
23 only if the complaint or amended complaint complies with this section  
24 and includes the notice required under section 5 of this act.

25 (2) If the plaintiff amends a complaint before a responsive  
26 pleading is made, causing it to comply with this section or include  
27 the notice required under section 5 of this act where it did not  
28 previously, the personal jurisdiction of the court over the defendant  
29 is voided and is acquired again only when the amended complaint is  
30 served on the defendant as though it was the original complaint.

31 (3) The complaint or amended complaint must state:

- 32 (a) The name and the last known city, county, state, and zip code
- 33 portions of the address of each consumer named in the complaint in
- 34 the records of the creditor;
- 35 (b) For medical debt, the name of the provider or facility
- 36 associated with the debt on the itemization date;
- 37 (c) The name of the creditor, including any merchant brand,
- 38 affinity brand, or facility name associated with the debt;

1 (d) At least the last four digits of the account number or other  
2 account identifier used by the creditor in communicating with the  
3 consumer before the itemization date;

4 (e) The date and amount of the last payment;

5 (f) The date of charge off or, if the debt was not charged off,  
6 the date of default;

7 (g) The amount of the outstanding balance;

8 (h) The amount of the judgment the plaintiff seeks, stating the  
9 outstanding balance and itemizing the following amounts not included  
10 in the outstanding balance:

11 (i) Total finance charges;

12 (ii) Total fees or costs; and

13 (iii) Total credits and payments;

14 (i) Whether the amount of the judgment may increase due to  
15 accrued interest, attorney fees, or other amounts;

16 (j) The authority of the plaintiff to commence the action;

17 (k) Facts sufficient to demonstrate that, to the plaintiff's  
18 knowledge, the action is being commenced in a proper venue;

19 (l) Facts sufficient to demonstrate that, if the plaintiff is  
20 prohibited by statute from bringing the action outside of the  
21 applicable statute of limitations, the action is being commenced  
22 within the statute of limitation period applicable to the debt; and

23 (m) If the plaintiff is a debt purchaser or bringing the action  
24 on behalf of a debt purchaser:

25 (i) The name of each person that acquired ownership of the debt  
26 after charge off or, if the debt was not charged off, after default;  
27 and

28 (ii) The date of each acquisition.

29 (4) Subject to authentication required by other laws of this  
30 state and rules of procedure, the plaintiff must attach to the  
31 complaint or amended complaint:

32 (a) At least one of the following that is sufficient to  
33 demonstrate the existence of the consumer debt:

34 (i) An agreement signed by the consumer;

35 (ii) A record of a purchase, payment, or use of an account; or

36 (iii) A record otherwise demonstrating the debt was incurred; and

37 (b) If the plaintiff is not the creditor, a statement indicating  
38 the authority of the plaintiff to collect the debt.





1 shall consider the promotion of uniformity of the law among  
2 jurisdictions that enact it.

3 NEW SECTION. **Sec. 10.** RELATION TO ELECTRONIC SIGNATURES IN  
4 GLOBAL AND NATIONAL COMMERCE ACT. This chapter modifies, limits, or  
5 supersedes the electronic signatures in global and national commerce  
6 act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or  
7 supersede 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of  
8 any of the notices described in 15 U.S.C. Sec. 7003(b).

9 NEW SECTION. **Sec. 11.** TRANSITIONAL PROVISION. This chapter  
10 applies to an action commenced on or after the effective date of this  
11 section.

12 **Sec. 12.** RCW 19.16.260 and 2020 c 30 s 2 are each amended to  
13 read as follows:

14 (1) ~~((a))~~ No collection agency or out-of-state collection agency  
15 may bring or maintain an action in any court of this state involving  
16 the collection of its own claim or a claim of any third party without  
17 alleging and proving that he, she, or it is duly licensed under this  
18 chapter and has satisfied the bonding requirements hereof, if  
19 applicable: PROVIDED, That in any case where judgment is to be  
20 entered by default, it shall not be necessary for the collection  
21 agency or out-of-state collection agency to prove such matters.

22 ~~((b))~~ (2) A copy of the current collection agency license or  
23 out-of-state collection agency license ~~(, certified by the director~~  
24 ~~to be a true and correct copy of the original,~~) shall be prima facie  
25 evidence of the licensing and bonding of such collection agency or  
26 out-of-state collection agency as required by this chapter.

27 ~~((2) No debt buyer may:~~

28 ~~(a) Bring any legal action against a debtor without attaching to~~  
29 ~~the complaint a copy of the contract or other writing evidencing the~~  
30 ~~original debt that contains the signature of the debtor, or:~~

31 ~~(i) If a claim is based on a credit card debt for which a signed~~  
32 ~~writing evidencing the original debt does not exist, a copy of the~~  
33 ~~most recent monthly statement recording a purchase transaction,~~  
34 ~~payment, or other extension of credit and, if the claim is based on a~~  
35 ~~breach of contract, a copy of the terms and conditions in place at~~  
36 ~~the time of the most recent monthly statement recording a purchase~~

1 ~~transaction, payment, or extension of credit must also be attached;~~  
2 ~~or~~

3 ~~(ii) If a claim is based on an electronic transaction for which a~~  
4 ~~signed writing evidencing the original debt never existed, a copy of~~  
5 ~~the records created during the transaction evidencing the debtor's~~  
6 ~~agreement to the debt and recording the date and terms of the~~  
7 ~~transaction and information provided by the debtor during the~~  
8 ~~transaction.~~

9 ~~(b) Request a default judgment against a debtor in any legal~~  
10 ~~action without providing to the court evidence that satisfies the~~  
11 ~~requirements of rule 803(a)(6) of the rules of evidence and RCW~~  
12 ~~5.45.020 or is otherwise authorized by law or rule that establishes~~  
13 ~~the amount and nature of the debt, including the documents required~~  
14 ~~by (a) of this subsection, and:~~

- 15 ~~(i) The original account number at charge-off;~~  
16 ~~(ii) The original creditor at charge-off;~~  
17 ~~(iii) The amount due at charge-off or, if the balance has not~~  
18 ~~been charged off, an itemization of the amount claimed to be owed,~~  
19 ~~including the principal, interest, fees, and other charges or~~  
20 ~~reductions from payment made or other credits;~~  
21 ~~(iv) An itemization of post charge-off additions, if any;~~  
22 ~~(v) The date of the last payment, if applicable, or the date of~~  
23 ~~the last transaction;~~  
24 ~~(vi) If the account is not a revolving credit account, the date~~  
25 ~~the debt was incurred; and~~  
26 ~~(vii) A copy of the assignment or other writing establishing that~~  
27 ~~the debt buyer is the owner of the debt. If the debt was assigned~~  
28 ~~more than once, each assignment or other writing evidencing transfer~~  
29 ~~of ownership must be attached to establish an unbroken chain of~~  
30 ~~ownership, beginning with the original creditor to the first debt~~  
31 ~~buyer and each subsequent sale.~~

32 ~~(c) Bring any legal action against a debtor without providing a~~  
33 ~~disclosure in the complaint, in no smaller than ten point type,~~  
34 ~~stating each of the following:~~

- 35 ~~(i) That the action is being brought by, or for the benefit of, a~~  
36 ~~person or entity that is engaged in the business of purchasing~~  
37 ~~delinquent or charged off claims for collection purposes;~~  
38 ~~(ii) The date the claim or obligation was purchased;~~  
39 ~~(iii) The identity of the person or entity from whom or which the~~  
40 ~~claim or obligation was purchased;~~

1       ~~(iv) That the plaintiff may have purchased this claim or~~  
2 ~~obligation for less than the value stated in the complaint;~~  
3       ~~(v) If the claim or obligation was at any time sold without any~~  
4 ~~representation or warranty of accuracy, a statement to that effect;~~  
5 ~~and~~  
6       ~~(vi) That the action is being commenced within, and is not barred~~  
7 ~~by, an applicable statute of limitations.))~~

8       NEW SECTION.   **Sec. 13.**   SEVERABILITY. If any provision of this  
9 act or its application to any person or circumstance is held invalid,  
10 the remainder of the act or the application of the provision to other  
11 persons or circumstances is not affected.

12       NEW SECTION.   **Sec. 14.**   Sections 1 through 11 of this act  
13 constitute a new chapter in Title 4 RCW.

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