
SENATE BILL 5485

State of Washington

64th Legislature

2015 Regular Session

By Senators Hobbs and Benton

Read first time 01/22/15. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to nonprofit organizations engaged in debt
2 adjusting; and reenacting and amending RCW 18.28.010.

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

4 **Sec. 1.** RCW 18.28.010 and 2012 c 56 s 1 are each reenacted and
5 amended to read as follows:

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

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

14 (a) Attorneys-at-law, escrow agents, accountants, broker-dealers
15 in securities, or investment advisors in securities, while performing
16 services solely incidental to the practice of their professions;

17 (b) Any person, partnership, association, or corporation doing
18 business under and as permitted by any law of this state or of the
19 United States relating to banks, consumer finance businesses,
20 consumer loan companies, trust companies, mutual savings banks,
21 savings and loan associations, building and loan associations, credit

1 unions, crop credit associations, development credit corporations,
2 industrial development corporations, title insurance companies,
3 insurance companies, or third-party account administrators;

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

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

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

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

14 (g) Nonprofit organizations engaged in debt adjusting and which
15 do not assess against the debtor a service charge in excess of
16 ~~((fifteen))~~ fifty dollars per ~~((month))~~ payment. This amount must be
17 adjusted annually in accordance with the consumer price index for the
18 Seattle, Washington area as compiled by the bureau of labor
19 statistics of the United States department of labor.

20 (2) "Debt adjusting" means the managing, counseling, settling,
21 adjusting, prorating, or liquidating of the indebtedness of a debtor,
22 or receiving funds for the purpose of distributing said funds among
23 creditors in payment or partial payment of obligations of a debtor.

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

27 (4) "Financial institution" means any person doing business under
28 the laws of any state or the United States relating to commercial
29 banks, bank holding companies, savings banks, savings and loan
30 associations, trust companies, or credit unions.

31 (5) "Third-party account administrator" means an independent
32 entity that holds or administers a dedicated bank account for fees
33 and payments to creditors, debt collectors, debt adjusters, or debt
34 adjusting agencies in connection with the renegotiation, settlement,
35 reduction, or other alteration of the terms of payment or other terms
36 of a debt.

--- END ---