

CERTIFICATION OF ENROLLMENT  
**THIRD SUBSTITUTE HOUSE BILL 1169**

Chapter 199, Laws of 2018

65th Legislature  
2018 Regular Session

STUDENT LOANS--NONPAYMENT AND DEFAULT

EFFECTIVE DATE: June 7, 2018

Passed by the House March 3, 2018  
Yeas 80 Nays 16

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate February 27, 2018  
Yeas 48 Nays 0

CYRUS HABIB

**President of the Senate**

Approved March 22, 2018 3:14 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **THIRD SUBSTITUTE HOUSE BILL 1169** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

March 26, 2018

**Secretary of State  
State of Washington**

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THIRD SUBSTITUTE HOUSE BILL 1169

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AS AMENDED BY THE SENATE

Passed Legislature - 2018 Regular Session

State of Washington                      65th Legislature                      2018 Regular Session

By House Appropriations (originally sponsored by Representatives Orwall, Pollet, Appleton, Goodman, Tarleton, Bergquist, Stanford, Fitzgibbon, Doglio, and Wylie)

READ FIRST TIME 01/25/18.

1            AN ACT Relating to student opportunity, assistance, and relief  
2 for student loans; amending RCW 67.08.100, 4.56.110, 6.01.060,  
3 6.15.010, 6.27.100, 6.27.105, 6.27.140, and 6.27.150; creating new  
4 sections; and repealing RCW 2.48.165, 18.04.420, 18.08.470,  
5 18.11.270, 18.16.230, 18.20.200, 18.27.360, 18.39.465, 18.43.160,  
6 18.46.055, 18.76.100, 18.85.341, 18.96.190, 18.104.115, 18.106.290,  
7 18.130.125, 18.140.200, 18.145.125, 18.160.085, 18.165.280,  
8 18.170.163, 18.180.050, 18.185.055, and 28A.410.105.

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

10            NEW SECTION.    **Sec. 1.**    The legislature finds that an educated  
11 workforce is essential for the state's economic development. By 2020  
12 seventy percent of available jobs in Washington will require at least  
13 a postsecondary credential. According to the 2015 A Skilled and  
14 Educated Workforce report, bachelor degree production in high-demand  
15 fields, such as science, technology, engineering, mathematics, and  
16 health, does not meet the demand of Washington's employers. The state  
17 has also set educational attainment goals to recognize the need and  
18 benefits of an educated workforce. College degree holders have higher  
19 incomes, better financial health, and are more likely to be  
20 homeowners than those who do not have college degrees. In fact, young

1 adults aged twenty-two to thirty-five with a college degree are fifty  
2 percent more likely to own a home than those without a degree.

3 However, the legislature finds that the cost of higher education  
4 has risen dramatically in recent years. Between 2003 and 2013, the  
5 price index of tuition rose eighty percent, three times the increase  
6 in the consumer price index and nearly double the increase in the  
7 medical price index over the same period. The legislature also finds  
8 that students are financing their education with more student loan  
9 debt. According to the institute for college access and success'  
10 project on student debt, in 2014 fifty-eight percent of recent  
11 graduates in Washington had debt, and the average federal student  
12 loan debt load for a student graduating from a four-year public or  
13 private institution of higher education was twenty-four thousand  
14 eight hundred dollars. This is an increase of forty-two percent since  
15 2004, when the average debt load was seventeen thousand four hundred  
16 dollars. These averages do not take into account additional private  
17 loans that many students take out to supplement their federal loans.

18 Student loan debt can greatly impact the economic benefits of  
19 earning a college degree. Surveys indicate that people burdened by  
20 student loan debt are less likely to buy a home; get married and  
21 start a family; start a small business; pursue lower paying  
22 professions such as teaching, nonprofit work, or social work; or even  
23 continue their education. The legislature finds that these decisions  
24 create a chain reaction of economic and social impact to the state.

25 The legislature recognizes that student loan debt is very  
26 different from other forms of debt, such as auto loans and home  
27 mortgages, for a variety of reasons. With most debt, borrowers know  
28 beforehand how much their monthly payment will be. However, student  
29 loans are more complicated because a student may borrow different  
30 amounts term to term and make decisions on an incremental basis as  
31 their financial aid packages, work, and living situations change. In  
32 addition, student loans may have origination fees, accumulated and  
33 capitalized interest, grace and forbearance periods, and income-based  
34 repayment options that all change the monthly payment amount. The  
35 legislature recognizes that another major difference with student  
36 loan debt is the unknown factor: Students take out the debt without  
37 having a clear idea of their future income and other financial  
38 obligations. Lastly, if a student has trouble repaying a student  
39 loan, the loans are not secured with physical property that can be

1 sold, and in the event of bankruptcy, are nearly impossible to  
2 discharge.

3 According to the United States department of education,  
4 Washington students are defaulting on their federal student loans at  
5 roughly the same rate as the national average. For the cohort that  
6 entered into repayment on their federal student loans in 2013, ten  
7 percent, or seven thousand seven hundred forty-six students, fell  
8 into default during the fiscal year ending September 30, 2016, just  
9 under the national average of eleven percent.

10 The consequences of default can haunt student loan borrowers for  
11 years unless they are able to rehabilitate their loans. These  
12 consequences may include suspension of the borrower's professional  
13 license; excessive contact from collection agencies; garnishment of  
14 wages and bank accounts; as well as seizing of the borrower's tax  
15 refund and other federal payments, such as social security  
16 retirement, and disability benefits. Defaulting on a student loan  
17 damages a borrower's credit, making it difficult to qualify for a  
18 mortgage or auto loan, rent an apartment, and even find employment,  
19 closing people off from the resources they need for financial  
20 stability.

21 The legislature acknowledges that the state currently allows  
22 regulators of twenty-six professions to suspend the professional  
23 licenses or certificates of student loan borrowers who have defaulted  
24 on their loans. In 2015 the department of licensing reported one  
25 hundred ten license suspensions for student loan default within the  
26 eleven professions it regulates, most of which were in the field of  
27 cosmetology. Twenty-one states have similar laws, but recently some  
28 states have repealed their laws or introduced legislation to do so,  
29 recognizing that license suspension hinders a borrower's ability to  
30 repay. It is the legislature's intent to repeal the statutes  
31 regarding professional license or certificate suspension and intends  
32 for those who had their license or certificate suspended to be  
33 eligible to have their license or certificate reinstated.

34 The legislature also finds that Washington state has high  
35 postjudgment interest rates and generous wage and bank account  
36 garnishment rates that negatively impact private student loan  
37 borrowers who default. Studies indicate that wage and bank account  
38 garnishment contributes to financial and employment instability,  
39 unemployment, bankruptcy, homelessness, and chronic stress.  
40 Washington's high interest and garnishment rates also increase the

1 courts' caseload by making it more attractive for lenders of private  
2 student loans to sue a borrower in court and obtain a judgment than  
3 to negotiate an agreement or settlement with the borrower.

4 Washington state's postjudgment interest rate was set at twelve  
5 percent in 1980 when the prime interest rate was fifteen percent. The  
6 current prime interest rate stands at three and one-half percent. In  
7 addition, the state's current postjudgment rate on torts is around  
8 three percent.

9 Regarding wage garnishment, many states, such as Texas,  
10 Pennsylvania, and South Carolina do not allow for wage garnishment  
11 for consumer debt. For federal student loans, the department of  
12 education can garnish up to fifteen percent of a borrower's  
13 disposable income, but not more than thirty times the minimum wage.  
14 In Washington, a borrower can have twenty-five percent of his or her  
15 disposable earnings garnished, or thirty-five times the federal  
16 minimum wage. As for bank account exemptions, Massachusetts protects  
17 two thousand five hundred dollars from garnishment compared to  
18 Washington's current exemption of five hundred dollars. To put this  
19 figure into perspective, the average rent in the Seattle metropolitan  
20 area is two thousand eighty-seven dollars.

21 Therefore, it is the legislature's intent to help student loan  
22 borrowers in default avoid loss of professional license or  
23 certification, which hinders repayment. It is also the legislature's  
24 intent to help student loan borrowers in default to maintain  
25 financial stability and to avoid the hardships of bank account and  
26 wage garnishment by making the postjudgment interest rate for private  
27 student loan debt more comparable to the market rate and by  
28 increasing the exemptions for bank account and wage garnishments.

## 29 PART I

### 30 PROFESSIONAL LICENSE SUSPENSIONS

31 NEW SECTION. **Sec. 101.** The following acts or parts of acts are  
32 each repealed:

33 (1) RCW 2.48.165 (Disbarment or license suspension—Nonpayment or  
34 default on educational loan or scholarship) and 1996 c 293 s 1;

35 (2) RCW 18.04.420 (License or certificate suspension—Nonpayment  
36 or default on educational loan or scholarship) and 1996 c 293 s 2;

- 1 (3) RCW 18.08.470 (Certificate or registration suspension—  
2 Nonpayment or default on educational loan or scholarship) and 1996 c  
3 293 s 3;
- 4 (4) RCW 18.11.270 (License, certificate, or registration  
5 suspension—Nonpayment or default on educational loan or scholarship)  
6 and 1996 c 293 s 4;
- 7 (5) RCW 18.16.230 (License suspension—Nonpayment or default on  
8 educational loan or scholarship) and 1996 c 293 s 5;
- 9 (6) RCW 18.20.200 (License suspension—Nonpayment or default on  
10 educational loan or scholarship) and 1996 c 293 s 6;
- 11 (7) RCW 18.27.360 (Certificate of registration suspension—  
12 Nonpayment or default on educational loan or scholarship) and 1996 c  
13 293 s 7;
- 14 (8) RCW 18.39.465 (License suspension—Nonpayment or default on  
15 educational loan or scholarship) and 1996 c 293 s 9;
- 16 (9) RCW 18.43.160 (Certificate of registration or license  
17 suspension—Nonpayment or default on educational loan or scholarship)  
18 and 1996 c 293 s 10;
- 19 (10) RCW 18.46.055 (License suspension—Nonpayment or default on  
20 educational loan or scholarship) and 1996 c 293 s 12;
- 21 (11) RCW 18.76.100 (Certificate suspension—Nonpayment or default  
22 on educational loan or scholarship) and 1996 c 293 s 13;
- 23 (12) RCW 18.85.341 (License suspension—Nonpayment or default on  
24 educational loan or scholarship) and 2008 c 23 s 30 & 1996 c 293 s  
25 14;
- 26 (13) RCW 18.96.190 (Certificate of licensure suspension—  
27 Nonpayment or default on educational loan or scholarship) and 2009 c  
28 370 s 16 & 1996 c 293 s 15;
- 29 (14) RCW 18.104.115 (License suspension—Nonpayment or default on  
30 educational loan or scholarship) and 1996 c 293 s 16;
- 31 (15) RCW 18.106.290 (Certificate or permit suspension—Nonpayment  
32 or default on educational loan or scholarship) and 1996 c 293 s 17;
- 33 (16) RCW 18.130.125 (License suspension—Nonpayment or default on  
34 educational loan or scholarship) and 1996 c 293 s 18;
- 35 (17) RCW 18.140.200 (Certificate, license, or registration  
36 suspension—Nonpayment or default on educational loan or scholarship)  
37 and 2005 c 339 s 16 & 1996 c 293 s 19;
- 38 (18) RCW 18.145.125 (Certificate suspension—Nonpayment or default  
39 on educational loan or scholarship) and 1996 c 293 s 20;

1 (19) RCW 18.160.085 (Certificate suspension—Nonpayment or default  
2 on educational loan or scholarship) and 1996 c 293 s 21;

3 (20) RCW 18.165.280 (License or certificate suspension—Nonpayment  
4 or default on educational loan or scholarship) and 1996 c 293 s 22;

5 (21) RCW 18.170.163 (License or certificate suspension—Nonpayment  
6 or default on educational loan or scholarship) and 1996 c 293 s 23;

7 (22) RCW 18.180.050 (Registration suspension—Nonpayment or  
8 default on educational loan or scholarship) and 1996 c 293 s 25;

9 (23) RCW 18.185.055 (License suspension—Nonpayment or default on  
10 educational loan or scholarship) and 1996 c 293 s 26; and

11 (24) RCW 28A.410.105 (Certificate or permit suspension—Nonpayment  
12 or default on educational loan or scholarship) and 1996 c 293 s 27.

13 **Sec. 102.** RCW 67.08.100 and 2017 c 46 s 3 are each amended to  
14 read as follows:

15 (1) The department upon receipt of a properly completed  
16 application and payment of a nonrefundable fee, may grant an annual  
17 license to an applicant for the following: (a) Promoter; (b) manager;  
18 (c) boxer; (d) second; (e) wrestling participant; (f) inspector; (g)  
19 judge; (h) timekeeper; (i) announcer; (j) event physician; (k) event  
20 chiropractor; (l) referee; (m) matchmaker; (n) kickboxer; (o) martial  
21 arts participant; (p) training facility; (q) amateur sanctioning  
22 organization; and (r) theatrical wrestling school.

23 (2) The application for the following types of licenses includes  
24 a physical performed by a physician, as defined in RCW 67.08.002,  
25 which was performed by the physician with a time period preceding the  
26 application as specified by rule: (a) Boxer; (b) wrestling  
27 participant; (c) kickboxer; (d) martial arts participant; and (e)  
28 referee.

29 (3) An applicant for the following types of licenses for the  
30 sports of boxing, kickboxing, and martial arts must provide annual  
31 proof of certification as having adequate experience, skill, and  
32 training from an organization approved by the department, including,  
33 but not limited to, the association of boxing commissions, the  
34 international boxing federation, the international boxing  
35 organization, the Washington state association of professional ring  
36 officials, the world boxing association, the world boxing council, or  
37 the world boxing organization for boxing officials, and the united  
38 full contact federation for kickboxing and martial arts officials:

1 (a) Judge; (b) referee; (c) inspector; (d) timekeeper; or (e) other  
2 officials deemed necessary by the department.

3 (4) No person may participate or serve in any of the above  
4 capacities unless licensed as provided in this chapter.

5 (5) The referees, judges, timekeepers, event physicians,  
6 chiropractors, and inspectors for any boxing, kickboxing, or martial  
7 arts event must be designated by the department from among licensed  
8 officials.

9 (6) The referee for any wrestling event must be provided by the  
10 promoter and must be licensed as a wrestling participant.

11 (7) The department must immediately suspend the license or  
12 certificate of a person who has been certified pursuant to RCW  
13 74.20A.320 by the department of social and health services as a  
14 person who is not in compliance with a support order. If the person  
15 has continued to meet all other requirements for reinstatement during  
16 the suspension, reissuance of the license or certificate is automatic  
17 upon the department's receipt of a release issued by the department  
18 of social and health services stating that the licensee is in  
19 compliance with the order.

20 ~~(8) ((The director must suspend the license of any person who has  
21 been certified by a lending agency and reported to the director for  
22 nonpayment or default on a federally or state guaranteed educational  
23 loan or service conditional scholarship. Prior to the suspension, the  
24 agency must provide the person an opportunity for a brief  
25 adjudicative proceeding under RCW 34.05.485 through 34.05.494 and  
26 issue a finding of nonpayment or default on a federally or state-  
27 guaranteed educational loan or service conditional scholarship. The  
28 person's license may not be reissued until the person provides the  
29 director a written release issued by the lending agency stating that  
30 the person is making payments on the loan in accordance with a  
31 repayment agreement approved by the lending agency. If the person has  
32 continued to meet all other requirements for licensure during the  
33 suspension, reinstatement is automatic upon receipt of the notice and  
34 payment of any reinstatement fee the director may impose.~~

35 ~~(9))~~ A person may not be issued a license if the person has an  
36 unpaid fine outstanding to the department.

37 ~~((10))~~ (9) A person may not be issued a license unless they are  
38 at least eighteen years of age.

39 ~~((11))~~ (10)(a) This section does not apply to:

1 (i) Contestants or participants in events at which only amateurs  
2 are engaged in contests;

3 (ii) Wrestling participants engaged in training or a wrestling  
4 show at a theatrical wrestling school; and

5 (iii) Fraternal organizations and/or veterans' organizations  
6 chartered by congress or the defense department, excluding any  
7 recognized amateur sanctioning body recognized by the department.

8 (b) Upon request of the department, a promoter, contestant, or  
9 participant must provide sufficient information to reasonably  
10 determine whether this chapter applies.

11 **PART II**

12 **PRIVATE STUDENT LOAN DEFAULT**

13 **Sec. 201.** RCW 4.56.110 and 2010 c 149 s 1 are each amended to  
14 read as follows:

15 Interest on judgments shall accrue as follows:

16 (1) Judgments founded on written contracts, providing for the  
17 payment of interest until paid at a specified rate, shall bear  
18 interest at the rate specified in the contracts: PROVIDED, That said  
19 interest rate is set forth in the judgment.

20 (2) All judgments for unpaid child support that have accrued  
21 under a superior court order or an order entered under the  
22 administrative procedure act shall bear interest at the rate of  
23 twelve percent.

24 (3)(a) Judgments founded on the tortious conduct of a "public  
25 agency" as defined in RCW 42.30.020 shall bear interest from the date  
26 of entry at two percentage points above the equivalent coupon issue  
27 yield, as published by the board of governors of the federal reserve  
28 system, of the average bill rate for twenty-six week treasury bills  
29 as determined at the first bill market auction conducted during the  
30 calendar month immediately preceding the date of entry. In any case  
31 where a court is directed on review to enter judgment on a verdict or  
32 in any case where a judgment entered on a verdict is wholly or partly  
33 affirmed on review, interest on the judgment or on that portion of  
34 the judgment affirmed shall date back to and shall accrue from the  
35 date the verdict was rendered.

36 (b) Except as provided in (a) of this subsection, judgments  
37 founded on the tortious conduct of individuals or other entities,  
38 whether acting in their personal or representative capacities, shall

1 bear interest from the date of entry at two percentage points above  
2 the prime rate, as published by the board of governors of the federal  
3 reserve system on the first business day of the calendar month  
4 immediately preceding the date of entry. In any case where a court is  
5 directed on review to enter judgment on a verdict or in any case  
6 where a judgment entered on a verdict is wholly or partly affirmed on  
7 review, interest on the judgment or on that portion of the judgment  
8 affirmed shall date back to and shall accrue from the date the  
9 verdict was rendered.

10 (4) Except as provided under subsection (1) of this section,  
11 judgments for unpaid private student loan debt, as defined in RCW  
12 6.01.060, shall bear interest from the date of entry at two  
13 percentage points above the prime rate, as published by the board of  
14 governors of the federal reserve system on the first business day of  
15 the calendar month immediately preceding the date of entry.

16 (5) Except as provided under subsections (1), (2), ~~((and))~~ (3),  
17 and (4) of this section, judgments shall bear interest from the date  
18 of entry at the maximum rate permitted under RCW 19.52.020 on the  
19 date of entry thereof. In any case where a court is directed on  
20 review to enter judgment on a verdict or in any case where a judgment  
21 entered on a verdict is wholly or partly affirmed on review, interest  
22 on the judgment or on that portion of the judgment affirmed shall  
23 date back to and shall accrue from the date the verdict was rendered.  
24 The method for determining an interest rate prescribed by this  
25 subsection is also the method for determining the "rate applicable to  
26 civil judgments" for purposes of RCW 10.82.090.

27 **Sec. 202.** RCW 6.01.060 and 1988 c 231 s 1 are each amended to  
28 read as follows:

29 ~~((The term "certified mail," as used in this title,))~~ The  
30 definitions in this section apply throughout this title unless the  
31 context clearly requires otherwise.

32 (1) "Certified mail" includes, for mailings to a foreign country,  
33 any form of mail that requires or permits a return receipt.

34 (2) "Private student loan" means any loan not guaranteed by the  
35 federal or state government that is used solely for personal use to  
36 finance postsecondary education and costs of attendance at an  
37 educational institution. A private student loan includes a loan made  
38 solely to refinance a private student loan. A private student loan  
39 does not include an extension of credit made under an open-end

1 consumer credit plan, a reverse mortgage transaction, a residential  
2 mortgage transaction, or any other loan that is secured by real  
3 property or a dwelling.

4 **Sec. 203.** RCW 6.15.010 and 2012 c 117 s 2 are each amended to  
5 read as follows:

6 (1) Except as provided in RCW 6.15.050, the following personal  
7 property is exempt from execution, attachment, and garnishment:

8 (a) All wearing apparel of every individual and family, but not  
9 to exceed three thousand five hundred dollars in value in furs,  
10 jewelry, and personal ornaments for any individual.

11 (b) All private libraries including electronic media, which  
12 includes audiovisual, entertainment, or reference media in digital or  
13 analogue format, of every individual, but not to exceed three  
14 thousand five hundred dollars in value, and all family pictures and  
15 keepsakes.

16 (c) A cell phone, personal computer, and printer.

17 (d) To each individual or, as to community property of spouses  
18 maintaining a single household as against a creditor of the  
19 community, to the community:

20 (i) The individual's or community's household goods, appliances,  
21 furniture, and home and yard equipment, not to exceed six thousand  
22 five hundred dollars in value for the individual or thirteen thousand  
23 dollars for the community, no single item to exceed seven hundred  
24 fifty dollars, said amount to include provisions and fuel for the  
25 comfortable maintenance of the individual or community;

26 (ii) Other personal property, except personal earnings as  
27 provided under RCW 6.15.050(1), not to exceed three thousand dollars  
28 in value, of which not more than one thousand five hundred dollars in  
29 value may consist of cash, and of which not more than:

30 (A) ~~((Until January 1, 2018:~~

31 ~~(I) For debts owed to state agencies, two hundred dollars in~~  
32 ~~value may consist of bank accounts, savings and loan accounts,~~  
33 ~~stocks, bonds, or other securities. The maximum exemption under~~  
34 ~~(c)(ii)(A) of this subsection may not exceed two hundred dollars,~~  
35 ~~regardless of the number of existing separate bank accounts, savings~~  
36 ~~and loan accounts, stocks, bonds, or other securities.~~

37 ~~(II) For all other debts, five hundred dollars in value may~~  
38 ~~consist of bank accounts, savings and loan accounts, stocks, bonds,~~  
39 ~~or other securities. The maximum exemption under (c)(ii)(B) of this~~

1 ~~subsection may not exceed five hundred dollars, regardless of the~~  
2 ~~number of existing separate bank accounts, savings and loan accounts,~~  
3 ~~stocks, bonds, or other securities.~~

4 ~~(B) After January 1, 2018:~~) For all debts except private student  
5 loan debt, five hundred dollars in value may consist of bank  
6 accounts, savings and loan accounts, stocks, bonds, or other  
7 securities. The maximum exemption under this subsection (1)((~~e~~))  
8 ~~(d)(ii)((~~B~~))~~(A) may not exceed five hundred dollars, regardless of  
9 the number of existing separate bank accounts, savings and loan  
10 accounts, stocks, bonds, or other securities.

11 (B) For all private student loan debt, two thousand five hundred  
12 dollars in value may consist of bank accounts, savings and loan  
13 accounts, stocks, bonds, or other securities. The maximum exemption  
14 under this subsection (1)(d)(ii)(B) may not exceed two thousand five  
15 hundred dollars, regardless of the number of existing separate bank  
16 accounts, savings and loan accounts, stocks, bonds, or other  
17 securities;

18 (iii) For an individual, a motor vehicle used for personal  
19 transportation, not to exceed three thousand two hundred fifty  
20 dollars or for a community two motor vehicles used for personal  
21 transportation, not to exceed six thousand five hundred dollars in  
22 aggregate value;

23 (iv) Any past due, current, or future child support paid or owed  
24 to the debtor, which can be traced;

25 (v) All professionally prescribed health aids for the debtor or a  
26 dependent of the debtor; and

27 (vi) To any individual, the right to or proceeds of a payment not  
28 to exceed twenty thousand dollars on account of personal bodily  
29 injury, not including pain and suffering or compensation for actual  
30 pecuniary loss, of the debtor or an individual of whom the debtor is  
31 a dependent; or the right to or proceeds of a payment in compensation  
32 of loss of future earnings of the debtor or an individual of whom the  
33 debtor is or was a dependent, to the extent reasonably necessary for  
34 the support of the debtor and any dependent of the debtor. The  
35 exemption under this subsection (1)((~~e~~)) ~~(d)(vi)~~ does not apply to  
36 the right of the state of Washington, or any agent or assignee of the  
37 state, as a lienholder or subrogee under RCW 43.20B.060.

38 ~~((~~d~~))~~ (e) To each qualified individual, one of the following  
39 exemptions:

1 (i) To a farmer, farm trucks, farm stock, farm tools, farm  
2 equipment, supplies and seed, not to exceed ten thousand dollars in  
3 value;

4 (ii) To a physician, surgeon, attorney, member of the clergy, or  
5 other professional person, the individual's library, office  
6 furniture, office equipment and supplies, not to exceed ten thousand  
7 dollars in value;

8 (iii) To any other individual, the tools and instruments and  
9 materials used to carry on his or her trade for the support of  
10 himself or herself or family, not to exceed ten thousand dollars in  
11 value.

12 ~~((e))~~ (f) Tuition units, under chapter 28B.95 RCW, purchased  
13 more than two years prior to the date of a bankruptcy filing or court  
14 judgment, and contributions to any other qualified tuition program  
15 under 26 U.S.C. Sec. 529 of the internal revenue code of 1986, as  
16 amended, and to a Coverdell education savings account, also known as  
17 an education individual retirement account, under 26 U.S.C. Sec. 530  
18 of the internal revenue code of 1986, as amended, contributed more  
19 than two years prior to the date of a bankruptcy filing or court  
20 judgment.

21 (2) For purposes of this section, "value" means the reasonable  
22 market value of the debtor's interest in an article or item at the  
23 time it is selected for exemption, exclusive of all liens and  
24 encumbrances thereon.

25 **Sec. 204.** RCW 6.27.100 and 2012 c 159 s 3 are each amended to  
26 read as follows:

27 (1) A writ issued for a continuing lien on earnings shall be  
28 substantially in the form provided in RCW 6.27.105. All other writs  
29 of garnishment shall be substantially in the following form, but:

30 (a) If the writ is issued under an order or judgment for child  
31 support, the following statement shall appear conspicuously in the  
32 caption: "This garnishment is based on a judgment or order for child  
33 support";

34 (b) If the writ is issued under an order or judgment for private  
35 student loan debt, the following statement shall appear conspicuously  
36 in the caption: "This garnishment is based on a judgment or order for  
37 private student loan debt"; and

38 (c) If the writ is issued by an attorney, the writ shall be  
39 revised as indicated in subsection (2) of this section:

1 "IN THE . . . . COURT  
2 OF THE STATE OF WASHINGTON IN AND FOR  
3 THE COUNTY OF . . . . .

4 ..... ,  
5 Plaintiff, No. ....

6 vs.

7 ..... , WRIT OF  
8 Defendant, GARNISHMENT

9 ..... ,  
10 Garnishee

11 THE STATE OF WASHINGTON TO: .....

12 Garnishee

13 AND TO: .....

14 Defendant

15 The above-named plaintiff has applied for a writ of  
16 garnishment against you, claiming that the above-named  
17 defendant is indebted to plaintiff and that the amount to  
18 be held to satisfy that indebtedness is \$ . . . . . ,  
19 consisting of:

20	Balance on Judgment or Amount of Claim	\$....
21	Interest under Judgment from . . . . to . . . .	\$....
22	Per Day Rate of Estimated Interest	\$....
23		per day
24	Taxable Costs and Attorneys' Fees	\$....
25	Estimated Garnishment Costs:	
26	Filing and Ex Parte Fees	\$....
27	Service and Affidavit Fees	\$....
28	Postage and Costs of Certified Mail	\$....
29	Answer Fee or Fees	\$....
30	Garnishment Attorney Fee	\$....
31	Other	\$....

32 YOU ARE HEREBY COMMANDED, unless otherwise directed by the court,  
33 by the attorney of record for the plaintiff, or by this writ, not to  
34 pay any debt, whether earnings subject to this garnishment or any  
35 other debt, owed to the defendant at the time this writ was served

1 and not to deliver, sell, or transfer, or recognize any sale or  
2 transfer of, any personal property or effects of the defendant in  
3 your possession or control at the time when this writ was served. Any  
4 such payment, delivery, sale, or transfer is void to the extent  
5 necessary to satisfy the plaintiff's claim and costs for this writ  
6 with interest.

7 YOU ARE FURTHER COMMANDED to answer this writ according to the  
8 instructions in this writ and in the answer forms and, within twenty  
9 days after the service of the writ upon you, to mail or deliver the  
10 original of such answer to the court, one copy to the plaintiff or  
11 the plaintiff's attorney, and one copy to the defendant, at the  
12 addresses listed at the bottom of this writ.

13 If you owe the defendant a debt payable in money in excess of the  
14 amount set forth in the first paragraph of this writ, hold only the  
15 amount set forth in the first paragraph and any processing fee if one  
16 is charged and release all additional funds or property to defendant.

17 IF YOU FAIL TO ANSWER THIS WRIT AS COMMANDED, A JUDGMENT MAY BE  
18 ENTERED AGAINST YOU FOR THE FULL AMOUNT OF THE PLAINTIFF'S CLAIM  
19 AGAINST THE DEFENDANT WITH ACCRUING INTEREST, ATTORNEY FEES, AND  
20 COSTS WHETHER OR NOT YOU OWE ANYTHING TO THE DEFENDANT. IF YOU  
21 PROPERLY ANSWER THIS WRIT, ANY JUDGMENT AGAINST YOU WILL NOT EXCEED  
22 THE AMOUNT OF ANY NONEXEMPT DEBT OR THE VALUE OF ANY NONEXEMPT  
23 PROPERTY OR EFFECTS IN YOUR POSSESSION OR CONTROL.

24 JUDGMENT MAY ALSO BE ENTERED AGAINST THE DEFENDANT FOR COSTS AND  
25 FEES INCURRED BY THE PLAINTIFF.

26 Witness, the Honorable . . . . ., Judge of the above-  
27 entitled Court, and the seal thereof, this . . . . day  
28 of . . . . ., ((20)). . . . (year)

29 [Seal]

30 .....

31 Attorney for Clerk of  
32 Plaintiff (or the Court  
33 Plaintiff, if no  
34 attorney)

35 .....

36 Address By

37 .....

38 Name of Defendant Address"



"IN THE . . . . COURT  
 OF THE STATE OF WASHINGTON IN AND FOR  
 THE COUNTY OF . . . . .

.....,  
 Plaintiff, No. ....  
 vs.  
 ....., WRIT OF  
 Defendant GARNISHMENT FOR  
 CONTINUING LIEN ON  
 ....., EARNINGS  
 Garnishee

THE STATE OF WASHINGTON TO:.....  
 Garnishee  
 AND TO:.....  
 Defendant

The above-named plaintiff has applied for a writ of garnishment against you, claiming that the above-named defendant is indebted to plaintiff and that the amount to be held to satisfy that indebtedness is \$ . . . . ., consisting of:

Balance on Judgment or Amount of Claim	\$ . . . .
Interest under Judgment from . . . . to . . . .	\$ . . . .
Per Day Rate of Estimated Interest	\$ . . . .
	per day
Taxable Costs and Attorneys' Fees	\$ . . . .
Estimated Garnishment Costs:	
Filing and Ex Parte Fees	\$ . . . .
Service and Affidavit Fees	\$ . . . .
Postage and Costs of Certified Mail	\$ . . . .
Answer Fee or Fees	\$ . . . .
Garnishment Attorney Fee	\$ . . . .
Other	\$ . . . .

THIS IS A WRIT FOR A CONTINUING LIEN. THE GARNISHEE SHALL HOLD the nonexempt portion of the defendant's earnings due at the time of service of this writ and shall also hold the defendant's nonexempt

1 earnings that accrue through the last payroll period ending on or  
2 before SIXTY days after the date of service of this writ. HOWEVER, IF  
3 THE GARNISHEE IS PRESENTLY HOLDING THE NONEXEMPT PORTION OF THE  
4 DEFENDANT'S EARNINGS UNDER A PREVIOUSLY SERVED WRIT FOR A CONTINUING  
5 LIEN, THE GARNISHEE SHALL HOLD UNDER THIS WRIT only the defendant's  
6 nonexempt earnings that accrue from the date the previously served  
7 writ or writs terminate and through the last payroll period ending on  
8 or before sixty days after the date of termination of the previous  
9 writ or writs. IN EITHER CASE, THE GARNISHEE SHALL STOP WITHHOLDING  
10 WHEN THE SUM WITHHELD EQUALS THE AMOUNT STATED IN THIS WRIT OF  
11 GARNISHMENT.

12 YOU ARE HEREBY COMMANDED, unless otherwise directed by the court,  
13 by the attorney of record for the plaintiff, or by this writ, not to  
14 pay any debt, whether earnings subject to this garnishment or any  
15 other debt, owed to the defendant at the time this writ was served  
16 and not to deliver, sell, or transfer, or recognize any sale or  
17 transfer of, any personal property or effects of the defendant in  
18 your possession or control at the time when this writ was served. Any  
19 such payment, delivery, sale, or transfer is void to the extent  
20 necessary to satisfy the plaintiff's claim and costs for this writ  
21 with interest.

22 YOU ARE FURTHER COMMANDED to answer this writ according to the  
23 instructions in this writ and in the answer forms and, within twenty  
24 days after the service of the writ upon you, to mail or deliver the  
25 original of such answer to the court, one copy to the plaintiff or  
26 the plaintiff's attorney, and one copy to the defendant, at the  
27 addresses listed at the bottom of this writ.

28 If, at the time this writ was served, you owed the defendant any  
29 earnings (that is, wages, salary, commission, bonus, tips, or other  
30 compensation for personal services or any periodic payments pursuant  
31 to a nongovernmental pension or retirement program), the defendant is  
32 entitled to receive amounts that are exempt from garnishment under  
33 federal and state law. You must pay the exempt amounts to the  
34 defendant on the day you would customarily pay the compensation or  
35 other periodic payment. As more fully explained in the answer, the  
36 basic exempt amount is the greater of seventy-five percent of  
37 disposable earnings or a minimum amount determined by reference to  
38 the employee's pay period, to be calculated as provided in the  
39 answer. However, if this writ carries a statement in the heading  
40 (~~that~~) of either: "This garnishment is based on a judgment or order

1 for child support," the basic exempt amount is fifty percent of  
2 disposable earnings; or "This garnishment is based on a judgment or  
3 order for private student loan debt," the basic exempt amount is the  
4 greater of eighty-five percent of disposable earnings or fifty times  
5 the minimum hourly wage of the highest minimum wage law in the state  
6 at the time the earnings are payable.

7 YOU MAY DEDUCT A PROCESSING FEE FROM THE REMAINDER OF THE  
8 EMPLOYEE'S EARNINGS AFTER WITHHOLDING UNDER THIS WRIT. THE PROCESSING  
9 FEE MAY NOT EXCEED TWENTY DOLLARS FOR THE FIRST ANSWER AND TEN  
10 DOLLARS AT THE TIME YOU SUBMIT THE SECOND ANSWER.

11 If you owe the defendant a debt payable in money in excess of the  
12 amount set forth in the first paragraph of this writ, hold only the  
13 amount set forth in the first paragraph and any processing fee if one  
14 is charged and release all additional funds or property to defendant.

15 IF YOU FAIL TO ANSWER THIS WRIT AS COMMANDED, A JUDGMENT MAY BE  
16 ENTERED AGAINST YOU FOR THE FULL AMOUNT OF THE PLAINTIFF'S CLAIM  
17 AGAINST THE DEFENDANT WITH ACCRUING INTEREST, ATTORNEY FEES, AND  
18 COSTS WHETHER OR NOT YOU OWE ANYTHING TO THE DEFENDANT. IF YOU  
19 PROPERLY ANSWER THIS WRIT, ANY JUDGMENT AGAINST YOU WILL NOT EXCEED  
20 THE AMOUNT OF ANY NONEXEMPT DEBT OR THE VALUE OF ANY NONEXEMPT  
21 PROPERTY OR EFFECTS IN YOUR POSSESSION OR CONTROL.

22 JUDGMENT MAY ALSO BE ENTERED AGAINST THE DEFENDANT FOR COSTS AND  
23 FEES INCURRED BY THE PLAINTIFF.

24 Witness, the Honorable . . . . ., Judge of the above-  
25 entitled Court, and the seal thereof, this . . . . day  
26 of . . . . ., ((20)). . . . (year)

27 [Seal]

28 .....  
29 Attorney for Clerk of  
30 Plaintiff (or the Court  
31 Plaintiff, if no  
32 attorney)  
33 .....  
34 Address By  
35 .....  
36 Name of Defendant Address"  
37 .....

Address of Defendant

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(2) If an attorney issues the writ of garnishment, the final paragraph of the writ, containing the date, and the subscribed attorney and clerk provisions, shall be replaced with text in substantially the following form:

"This writ is issued by the undersigned attorney of record for plaintiff under the authority of chapter 6.27 of the Revised Code of Washington, and must be complied with in the same manner as a writ issued by the clerk of the court.

Dated this .....day of ....., ((20))....

(year)

.....

Attorney for Plaintiff

.....

Address

Address of the Clerk of the Court"

.....

Name of Defendant

.....

Address of Defendant

**Sec. 206.** RCW 6.27.140 and 2012 c 159 s 8 are each amended to read as follows:

(1) The notice required by RCW 6.27.130(1) to be mailed to or served on an individual judgment debtor shall be in the following form, printed or typed in no smaller than size twelve point font:

NOTICE OF GARNISHMENT  
AND OF YOUR RIGHTS

A Writ of Garnishment issued in a Washington court has been or will be served on the garnishee named in the attached copy of the writ. After receipt of the writ, the garnishee is required to withhold payment of any money that was due to you and to withhold any other property of yours that the

1 garnishee held or controlled. This notice of your rights is  
2 required by law.

3 YOU HAVE THE FOLLOWING EXEMPTION RIGHTS:

4 WAGES. If the garnishee is your employer who owes wages or  
5 other personal earnings to you, your employer is required to  
6 pay amounts to you that are exempt under state and federal  
7 laws, as explained in the writ of garnishment. You should  
8 receive a copy of your employer's answer, which will show how  
9 the exempt amount was calculated. If the garnishment is for  
10 child support, the exempt amount paid to you will be a  
11 percent of your disposable earnings, which is fifty percent  
12 of that part of your earnings remaining after your employer  
13 deducts those amounts which are required by law to be  
14 withheld. If the garnishment is for private student loan  
15 debt, the exempt amount paid to you will be the greater of  
16 the following: A percent of your disposable earnings, which  
17 is eighty-five percent of the part of your earnings remaining  
18 after your employer deducts those amounts which are required  
19 by law to be withheld, or fifty times the minimum hourly wage  
20 of the highest minimum wage law in the state at the time the  
21 earnings are payable.

22 BANK ACCOUNTS. If the garnishee is a bank or other  
23 institution with which you have an account in which you have  
24 deposited benefits such as Temporary Assistance for Needy  
25 Families, Supplemental Security Income (SSI), Social  
26 Security, veterans' benefits, unemployment compensation, or  
27 any federally qualified pension, such as a state or federal  
28 pension, individual retirement account (IRA), or 401K plan,  
29 you may claim the account as fully exempt if you have  
30 deposited only such benefit funds in the account. It may be  
31 partially exempt even though you have deposited money from  
32 other sources in the same account. An exemption is also  
33 available under RCW 26.16.200, providing that funds in a  
34 community bank account that can be identified as the earnings  
35 of a stepparent are exempt from a garnishment on the child  
36 support obligation of the parent.

37 OTHER EXEMPTIONS. If the garnishee holds other property of  
38 yours, some or all of it may be exempt under RCW 6.15.010, a

1 Washington statute that exempts certain property of your  
2 choice (including up to \$2,500.00 in a bank account if you  
3 owe on private student loan debts or up to \$500.00 in a bank  
4 account for all other debts) and certain other property such  
5 as household furnishings, tools of trade, and a motor vehicle  
6 (all limited by differing dollar values).

7 HOW TO CLAIM EXEMPTIONS. Fill out the enclosed claim form and  
8 mail or deliver it as described in instructions on the claim  
9 form. If the plaintiff does not object to your claim, the  
10 funds or other property that you have claimed as exempt must  
11 be released not later than 10 days after the plaintiff  
12 receives your claim form. If the plaintiff objects, the law  
13 requires a hearing not later than 14 days after the plaintiff  
14 receives your claim form, and notice of the objection and  
15 hearing date will be mailed to you at the address that you  
16 put on the claim form.

17 THE LAW ALSO PROVIDES OTHER EXEMPTION RIGHTS. IF NECESSARY,  
18 AN ATTORNEY CAN ASSIST YOU TO ASSERT THESE AND OTHER RIGHTS,  
19 BUT YOU MUST ACT IMMEDIATELY TO AVOID LOSS OF RIGHTS BY  
20 DELAY.

21 (2)(a) If the writ is to garnish funds or property held by a  
22 financial institution, the claim form required by RCW 6.27.130(1) to  
23 be mailed to or served on an individual judgment debtor shall be in  
24 the following form, printed or typed in no smaller than size twelve  
25 point font:

26 [Caption to be filled in by judgment creditor  
27 or plaintiff before mailing.]

28 .....  
29 Name of Court  
30 ..... No .....  
31 Plaintiff,  
32 vs.  
33 ..... EXEMPTION CLAIM  
34 Defendant,  
35 .....  
36 Garnishee Defendant

INSTRUCTIONS:

1. Read this whole form after reading the enclosed notice. Then put an X in the box or boxes that describe your exemption claim or claims and write in the necessary information on the blank lines. If additional space is needed, use the bottom of the last page or attach another sheet.
2. Make two copies of the completed form. Deliver the original form by first-class mail or in person to the clerk of the court, whose address is shown at the bottom of the writ of garnishment. Deliver one of the copies by first-class mail or in person to the plaintiff or plaintiff's attorney, whose name and address are shown at the bottom of the writ. Keep the other copy. **YOU SHOULD DO THIS AS QUICKLY AS POSSIBLE, BUT NO LATER THAN 28 DAYS (4 WEEKS) AFTER THE DATE ON THE WRIT.**

I/We claim the following money or property as exempt:

IF BANK ACCOUNT IS GARNISHED:

- The account contains payments from:
  - Temporary assistance for needy families, SSI, or other public assistance. I receive \$ . . . . . monthly.
  - Social Security. I receive \$ . . . . . monthly.
  - Veterans' Benefits. I receive \$ . . . . . monthly.
  - Federally qualified pension, such as a state or federal pension, individual retirement account (IRA), or 401K plan. I receive \$ . . . . . monthly.
  - Unemployment Compensation. I receive \$ . . . . . monthly.
  - Child support. I receive \$ . . . . . monthly.
  - Other. Explain . . . . .
- \$2,500 exemption for private student loan debts.
- \$500 exemption for all other debts.

1 IF EXEMPTION IN BANK ACCOUNT IS CLAIMED,  
2 ANSWER ONE OR BOTH OF THE FOLLOWING:

3 [ ] No money other than from above payments are in  
4 the account.

5 [ ] Moneys in addition to the above payments have  
6 been deposited in the account. Explain . . . . .

7 . . . . .  
8 . . . . .

9 OTHER PROPERTY:

10 [ ] Describe property . . . . .  
11 . . . . .

12 (If you claim other personal property as exempt,  
13 you must attach a list of all other personal property  
14 that you own.)

15 . . . . .

16	Print: Your name	If married or in a state
17		registered domestic
18		partnership,
19		name of husband/wife/
20		state registered domestic
21		partner

22 . . . . .

23	Your signature	Signature of husband,
24		wife, or state registered
25		domestic partner

26 . . . . .

27 . . . . .

28	Address	Address
29		(if different from yours)

30 . . . . .

31	Telephone number	Telephone number
32		(if different from yours)

33 CAUTION: If the plaintiff objects to your claim, you will have to  
34 go to court and give proof of your claim. For example, if you claim  
35 that a bank account is exempt, you may have to show the judge your  
36 bank statements and papers that show the source of the money you

1 deposited in the bank. Your claim may be granted more quickly if you  
2 attach copies of such proof to your claim.

3 IF THE JUDGE DENIES YOUR EXEMPTION CLAIM, YOU WILL HAVE TO PAY THE  
4 PLAINTIFF'S COSTS. IF THE JUDGE DECIDES THAT YOU DID NOT MAKE THE  
5 CLAIM IN GOOD FAITH, HE OR SHE MAY DECIDE THAT YOU MUST PAY THE  
6 PLAINTIFF'S ATTORNEY FEES.

7 (b) If the writ is directed to an employer to garnish earnings,  
8 the claim form required by RCW 6.27.130(1) to be mailed to or served  
9 on an individual judgment debtor shall be in the following form,  
10 subject to (c) of this subsection, printed or typed in no smaller  
11 than size twelve point font type:

[Caption to be filled in by judgment creditor  
or plaintiff before mailing.]

.....  
Name of Court  
..... No.....  
Plaintiff,  
vs.  
..... EXEMPTION CLAIM  
Defendant,  
.....  
Garnishee Defendant

INSTRUCTIONS:

1. Read this whole form after reading the enclosed notice. Then put an X in the box or boxes that describe your exemption claim or claims and write in the necessary information on the blank lines. If additional space is needed, use the bottom of the last page or attach another sheet.

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2. Make two copies of the completed form. Deliver the original form by first-class mail or in person to the clerk of the court, whose address is shown at the bottom of the writ of garnishment. Deliver one of the copies by first-class mail or in person to the plaintiff or plaintiff's attorney, whose name and address are shown at the bottom of the writ. Keep the other copy. YOU SHOULD DO THIS AS QUICKLY AS POSSIBLE, BUT NO LATER THAN 28 DAYS (4 WEEKS) AFTER THE DATE ON THE WRIT.

I/We claim the following money or property as exempt:  
  
IF PENSION OR RETIREMENT BENEFITS ARE GARNISHED:

Name and address of employer who is paying the benefits:.....  
.....

IF EARNINGS ARE GARNISHED FOR CHILD SUPPORT:

I claim maximum exemption.

IF EARNINGS ARE GARNISHED FOR PRIVATE STUDENT LOAN DEBT:

I claim maximum exemption.

.....

Print: Your name	If married or in a state registered domestic partnership, name of husband/wife/state registered domestic partner
------------------	--

.....

Your signature	Signature of husband, wife, or state registered domestic partner
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.....

.....

Address	Address
---------	---------

(if different from yours)

.....

Telephone number Telephone number

(if different from yours)

CAUTION: If the plaintiff objects to your claim, you will have to go to court and give proof of your claim. For example, if you claim that a bank account is exempt, you may have to show the judge your bank statements and papers that show the source of the money you deposited in the bank. Your claim may be granted more quickly if you attach copies of such proof to your claim.

IF THE JUDGE DENIES YOUR EXEMPTION CLAIM, YOU WILL HAVE TO PAY THE PLAINTIFF'S COSTS. IF THE JUDGE DECIDES THAT YOU DID NOT MAKE THE CLAIM IN GOOD FAITH, HE OR SHE MAY DECIDE THAT YOU MUST PAY THE PLAINTIFF'S ATTORNEY FEES.

(c) If the writ under (b) of this subsection is not a writ for the collection of child support, the exemption language pertaining to child support may be omitted.

(d) If the writ under (b) of this subsection is not a writ for the collection of private student loan debt, the exemption language pertaining to private student loan debt may be omitted.

**Sec. 207.** RCW 6.27.150 and 2012 c 159 s 9 are each amended to read as follows:

(1) Except as provided in subsections (2) and (3) of this section, if the garnishee is an employer owing the defendant earnings, then for each week of such earnings, an amount shall be exempt from garnishment which is the greatest of the following:

- (a) Thirty-five times the federal minimum hourly wage in effect at the time the earnings are payable; or
- (b) Seventy-five percent of the disposable earnings of the defendant.

(2) In the case of a garnishment based on a judgment or other order for child support or court order for spousal maintenance, other than a mandatory wage assignment order pursuant to chapter 26.18 RCW, or a mandatory assignment of retirement benefits pursuant to chapter 41.50 RCW, the exemption shall be fifty percent of the disposable earnings of the defendant.

