
SENATE BILL 5530

State of Washington

66th Legislature

2019 Regular Session

By Senators Frockt, Kuderer, Das, Darneille, Dhingra, Hasegawa, Keiser, Liias, McCoy, Nguyen, Saldaña, and Wellman

Read first time 01/23/19. Referred to Committee on Law & Justice.

1 AN ACT Relating to medical debt; amending RCW 4.56.110, 6.01.060,
2 6.15.010, 6.27.100, 6.27.105, 6.27.140, 6.27.150, 6.32.010,
3 19.16.100, 19.16.250, 19.52.010, and 19.52.020; and adding a new
4 section to chapter 70.54 RCW.

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

6 **Sec. 1.** RCW 4.56.110 and 2018 c 199 s 201 are each amended to
7 read as follows:

8 Interest on judgments shall accrue as follows:

9 (1) Except as provided in subsection (5) of this section,
10 judgments founded on written contracts, providing for the payment of
11 interest until paid at a specified rate, shall bear interest at the
12 rate specified in the contracts: PROVIDED, That said interest rate is
13 set forth in the judgment.

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

18 (3)(a) Judgments founded on the tortious conduct of a "public
19 agency" as defined in RCW 42.30.020 shall bear interest from the date
20 of entry at two percentage points above the equivalent coupon issue
21 yield, as published by the board of governors of the federal reserve

1 system, of the average bill rate for twenty-six week treasury bills
2 as determined at the first bill market auction conducted during the
3 calendar month immediately preceding the date of entry. In any case
4 where a court is directed on review to enter judgment on a verdict or
5 in any case where a judgment entered on a verdict is wholly or partly
6 affirmed on review, interest on the judgment or on that portion of
7 the judgment affirmed shall date back to and shall accrue from the
8 date the verdict was rendered.

9 (b) Except as provided in (a) of this subsection, judgments
10 founded on the tortious conduct of individuals or other entities,
11 whether acting in their personal or representative capacities, shall
12 bear interest from the date of entry at two percentage points above
13 the prime rate, as published by the board of governors of the federal
14 reserve system on the first business day of the calendar month
15 immediately preceding the date of entry. In any case where a court is
16 directed on review to enter judgment on a verdict or in any case
17 where a judgment entered on a verdict is wholly or partly affirmed on
18 review, interest on the judgment or on that portion of the judgment
19 affirmed shall date back to and shall accrue from the date the
20 verdict was rendered.

21 (4) Except as provided under subsection (1) of this section,
22 judgments for unpaid private student loan debt, as defined in RCW
23 6.01.060, shall bear interest from the date of entry at two
24 percentage points above the prime rate, as published by the board of
25 governors of the federal reserve system on the first business day of
26 the calendar month immediately preceding the date of entry.

27 (5) Judgments for unpaid medical debt, as defined in RCW
28 19.16.100, shall bear interest from the date of entry at two
29 percentage points above the prime rate, as published by the board of
30 governors of the federal reserve system on the first business day of
31 the calendar month immediately preceding the date of entry.

32 (6) Except as provided under subsections (1) (~~(2), (3), and~~
33 ~~(4)) through (5)~~ of this section, judgments shall bear interest from
34 the date of entry at the maximum rate permitted under RCW 19.52.020
35 on the date of entry thereof. In any case where a court is directed
36 on review to enter judgment on a verdict or in any case where a
37 judgment entered on a verdict is wholly or partly affirmed on review,
38 interest on the judgment or on that portion of the judgment affirmed
39 shall date back to and shall accrue from the date the verdict was
40 rendered. The method for determining an interest rate prescribed by

1 this subsection is also the method for determining the "rate
2 applicable to civil judgments" for purposes of RCW 10.82.090.

3 **Sec. 2.** RCW 6.01.060 and 2018 c 199 s 202 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this title
6 unless the context clearly requires otherwise.

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

9 (2) "Medical debt" has the same meaning as provided in RCW
10 19.16.100.

11 (3) "Private student loan" means any loan not guaranteed by the
12 federal or state government that is used solely for personal use to
13 finance postsecondary education and costs of attendance at an
14 educational institution. A private student loan includes a loan made
15 solely to refinance a private student loan. A private student loan
16 does not include an extension of credit made under an open-end
17 consumer credit plan, a reverse mortgage transaction, a residential
18 mortgage transaction, or any other loan that is secured by real
19 property or a dwelling.

20 **Sec. 3.** RCW 6.15.010 and 2018 c 199 s 203 are each amended to
21 read as follows:

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

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

27 (b) All private libraries including electronic media, which
28 includes audiovisual, entertainment, or reference media in digital or
29 analogue format, of every individual, but not to exceed three
30 thousand five hundred dollars in value, and all family pictures and
31 keepsakes.

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

33 (d) To each individual or, as to community property of spouses
34 maintaining a single household as against a creditor of the
35 community, to the community:

36 (i) The individual's or community's household goods, appliances,
37 furniture, and home and yard equipment, not to exceed six thousand
38 five hundred dollars in value for the individual or thirteen thousand

1 dollars for the community, no single item to exceed seven hundred
2 fifty dollars, said amount to include provisions and fuel for the
3 comfortable maintenance of the individual or community;

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

8 (A) For all debts except private student loan debt and medical
9 debt, five hundred dollars in value may consist of bank accounts,
10 savings and loan accounts, stocks, bonds, or other securities. The
11 maximum exemption under this subsection (1)(d)(ii)(A) may not exceed
12 five hundred dollars, regardless of the number of existing separate
13 bank accounts, savings and loan accounts, stocks, bonds, or other
14 securities.

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

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

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

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

31 (vi) To any individual, the right to or proceeds of a payment not
32 to exceed twenty thousand dollars on account of personal bodily
33 injury, not including pain and suffering or compensation for actual
34 pecuniary loss, of the debtor or an individual of whom the debtor is
35 a dependent; or the right to or proceeds of a payment in compensation
36 of loss of future earnings of the debtor or an individual of whom the
37 debtor is or was a dependent, to the extent reasonably necessary for
38 the support of the debtor and any dependent of the debtor. The
39 exemption under this subsection (1)(d)(vi) does not apply to the

1 right of the state of Washington, or any agent or assignee of the
2 state, as a lienholder or subrogee under RCW 43.20B.060.

3 (e) To each qualified individual, one of the following
4 exemptions:

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

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

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

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

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

28 **Sec. 4.** RCW 6.27.100 and 2018 c 199 s 204 are each amended to
29 read as follows:

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

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

37 (b) If the writ is issued under an order or judgment for private
38 student loan debt, the following statement shall appear conspicuously

1 in the caption: "This garnishment is based on a judgment or order for
2 private student loan debt"; (~~and~~)

3 (c) If the writ is issued under an order or judgment for medical
4 debt, the following statement shall appear conspicuously in the
5 caption: "This garnishment is based on a judgment or order for
6 medical debt"; and

7 (d) If the writ is issued by an attorney, the writ shall be
8 revised as indicated in subsection (2) of this section:

9 "IN THE COURT
10 OF THE STATE OF WASHINGTON IN AND FOR
11 THE COUNTY OF

12 ,
13 Plaintiff, No.
14 vs.
15 , WRIT OF
16 Defendant, GARNISHMENT
17 ,
18 Garnishee
19 THE STATE OF WASHINGTON TO:
20 Garnishee
21 AND TO:
22 Defendant

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

28 Balance on Judgment or Amount of Claim \$....
29 Interest under Judgment from to \$....
30 Per Day Rate of Estimated Interest \$....
31 per day
32 Taxable Costs and Attorneys' Fees \$....
33 Estimated Garnishment Costs:
34 Filing and Ex Parte Fees \$....
35 Service and Affidavit Fees \$....
36 Postage and Costs of Certified Mail \$....

1	Answer Fee or Fees	\$....
2	Garnishment Attorney Fee	\$....
3	Other	\$....

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

14 YOU ARE FURTHER COMMANDED to answer this writ according to the
15 instructions in this writ and in the answer forms and, within twenty
16 days after the service of the writ upon you, to mail or deliver the
17 original of such answer to the court, one copy to the plaintiff or
18 the plaintiff's attorney, and one copy to the defendant, at the
19 addresses listed at the bottom of this writ.

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

24 IF YOU FAIL TO ANSWER THIS WRIT AS COMMANDED, A JUDGMENT MAY BE
25 ENTERED AGAINST YOU FOR THE FULL AMOUNT OF THE PLAINTIFF'S CLAIM
26 AGAINST THE DEFENDANT WITH ACCRUING INTEREST, ATTORNEY FEES, AND
27 COSTS WHETHER OR NOT YOU OWE ANYTHING TO THE DEFENDANT. IF YOU
28 PROPERLY ANSWER THIS WRIT, ANY JUDGMENT AGAINST YOU WILL NOT EXCEED
29 THE AMOUNT OF ANY NONEXEMPT DEBT OR THE VALUE OF ANY NONEXEMPT
30 PROPERTY OR EFFECTS IN YOUR POSSESSION OR CONTROL.

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

33 Witness, the Honorable, Judge of the above-
34 entitled Court, and the seal thereof, this day
35 of, (year)

36 [Seal]

37

1 Attorney for Clerk of
2 Plaintiff (or the Court
3 Plaintiff, if no
4 attorney)
5
6 Address By
7
8 Name of Defendant Address"
9
10 Address of Defendant

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

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

19 Dated thisday of....., (year)
20
21 Attorney for Plaintiff
22
23 Address Address of the Clerk of the
24 Court"
25
26 Name of Defendant
27
28 Address of Defendant

29 **Sec. 5.** RCW 6.27.105 and 2018 c 199 s 205 are each amended to
30 read as follows:

31 (1) A writ that is issued for a continuing lien on earnings shall
32 be substantially in the following form, but:

33 (a) If the writ is issued under an order or judgment for child
34 support, the following statement shall appear conspicuously in the

1 caption: "This garnishment is based on a judgment or order for child
2 support";

3 (b) If the writ is issued under an order or judgment for private
4 student loan debt, the following statement shall appear conspicuously
5 in the caption: "This garnishment is based on a judgment or order for
6 private student loan debt"; (~~and~~)

7 (c) If the writ is issued under an order or judgment for medical
8 debt, the following statement shall appear conspicuously in the
9 caption: "This garnishment is based on a judgment or order for
10 medical debt"; and

11 (d) If the writ is issued by an attorney, the writ shall be
12 revised as indicated in subsection (2) of this section:

"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:

1		
2	Filing and Ex Parte Fees	\$....
3	Service and Affidavit Fees	\$....
4	Postage and Costs of Certified Mail	\$....
5	Answer Fee or Fees	\$....
6	Garnishment Attorney Fee	\$....
7	Other	\$....

8 THIS IS A WRIT FOR A CONTINUING LIEN. THE GARNISHEE SHALL HOLD
9 the nonexempt portion of the defendant's earnings due at the time of
10 service of this writ and shall also hold the defendant's nonexempt
11 earnings that accrue through the last payroll period ending on or
12 before SIXTY days after the date of service of this writ. HOWEVER, IF
13 THE GARNISHEE IS PRESENTLY HOLDING THE NONEXEMPT PORTION OF THE
14 DEFENDANT'S EARNINGS UNDER A PREVIOUSLY SERVED WRIT FOR A CONTINUING
15 LIEN, THE GARNISHEE SHALL HOLD UNDER THIS WRIT only the defendant's
16 nonexempt earnings that accrue from the date the previously served
17 writ or writs terminate and through the last payroll period ending on
18 or before sixty days after the date of termination of the previous
19 writ or writs. IN EITHER CASE, THE GARNISHEE SHALL STOP WITHHOLDING
20 WHEN THE SUM WITHHELD EQUALS THE AMOUNT STATED IN THIS WRIT OF
21 GARNISHMENT.

22 YOU ARE HEREBY COMMANDED, unless otherwise directed by the court,
23 by the attorney of record for the plaintiff, or by this writ, not to
24 pay any debt, whether earnings subject to this garnishment or any
25 other debt, owed to the defendant at the time this writ was served
26 and not to deliver, sell, or transfer, or recognize any sale or
27 transfer of, any personal property or effects of the defendant in
28 your possession or control at the time when this writ was served. Any
29 such payment, delivery, sale, or transfer is void to the extent
30 necessary to satisfy the plaintiff's claim and costs for this writ
31 with interest.

32 YOU ARE FURTHER COMMANDED to answer this writ according to the
33 instructions in this writ and in the answer forms and, within twenty
34 days after the service of the writ upon you, to mail or deliver the
35 original of such answer to the court, one copy to the plaintiff or
36 the plaintiff's attorney, and one copy to the defendant, at the
37 addresses listed at the bottom of this writ.

1 If, at the time this writ was served, you owed the defendant any
2 earnings (that is, wages, salary, commission, bonus, tips, or other
3 compensation for personal services or any periodic payments pursuant
4 to a nongovernmental pension or retirement program), the defendant is
5 entitled to receive amounts that are exempt from garnishment under
6 federal and state law. You must pay the exempt amounts to the
7 defendant on the day you would customarily pay the compensation or
8 other periodic payment. As more fully explained in the answer, the
9 basic exempt amount is the greater of seventy-five percent of
10 disposable earnings or a minimum amount determined by reference to
11 the employee's pay period, to be calculated as provided in the
12 answer. However, if this writ carries a statement in the heading of
13 (~~either:~~) "This garnishment is based on a judgment or order for
14 child support," the basic exempt amount is fifty percent of
15 disposable earnings; (~~or:~~) and if this writ carries a statement in
16 the heading of either: "This garnishment is based on a judgment or
17 order for private student loan debt," or "This garnishment is based
18 on a judgment or order for medical debt," the basic exempt amount is
19 the greater of eighty-five percent of disposable earnings or fifty
20 times the minimum hourly wage of the highest minimum wage law in the
21 state at the time the earnings are payable.

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

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

30 IF YOU FAIL TO ANSWER THIS WRIT AS COMMANDED, A JUDGMENT MAY BE
31 ENTERED AGAINST YOU FOR THE FULL AMOUNT OF THE PLAINTIFF'S CLAIM
32 AGAINST THE DEFENDANT WITH ACCRUING INTEREST, ATTORNEY FEES, AND
33 COSTS WHETHER OR NOT YOU OWE ANYTHING TO THE DEFENDANT. IF YOU
34 PROPERLY ANSWER THIS WRIT, ANY JUDGMENT AGAINST YOU WILL NOT EXCEED
35 THE AMOUNT OF ANY NONEXEMPT DEBT OR THE VALUE OF ANY NONEXEMPT
36 PROPERTY OR EFFECTS IN YOUR POSSESSION OR CONTROL.

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

1 Witness, the Honorable, Judge of the above-
2 entitled Court, and the seal thereof, this day
3 of, (year)

4 [Seal]

5

6 Attorney for Clerk of
7 Plaintiff (or the Court
8 Plaintiff, if no
9 attorney)

10

11 Address By

12

13 Name of Defendant Address"

14

15 Address of Defendant

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

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

24 Dated thisday of....., (year)

25

26 Attorney for Plaintiff

27

28 Address Address of the Clerk of the
29 Court"

30

31 Name of Defendant

32

33 Address of Defendant

1 **Sec. 6.** RCW 6.27.140 and 2018 c 199 s 206 are each amended to
2 read as follows:

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

6 NOTICE OF GARNISHMENT
7 AND OF YOUR RIGHTS

8 A Writ of Garnishment issued in a Washington court has been
9 or will be served on the garnishee named in the attached copy
10 of the writ. After receipt of the writ, the garnishee is
11 required to withhold payment of any money that was due to you
12 and to withhold any other property of yours that the
13 garnishee held or controlled. This notice of your rights is
14 required by law.

15 YOU HAVE THE FOLLOWING EXEMPTION RIGHTS:

16 WAGES. If the garnishee is your employer who owes wages or
17 other personal earnings to you, your employer is required to
18 pay amounts to you that are exempt under state and federal
19 laws, as explained in the writ of garnishment. You should
20 receive a copy of your employer's answer, which will show how
21 the exempt amount was calculated. If the garnishment is for
22 child support, the exempt amount paid to you will be a
23 percent of your disposable earnings, which is fifty percent
24 of that part of your earnings remaining after your employer
25 deducts those amounts which are required by law to be
26 withheld. If the garnishment is for private student loan debt
27 or medical debt, the exempt amount paid to you will be the
28 greater of the following: A percent of your disposable
29 earnings, which is eighty-five percent of the part of your
30 earnings remaining after your employer deducts those amounts
31 which are required by law to be withheld, or fifty times the
32 minimum hourly wage of the highest minimum wage law in the
33 state at the time the earnings are payable.

34 BANK ACCOUNTS. If the garnishee is a bank or other
35 institution with which you have an account in which you have
36 deposited benefits such as Temporary Assistance for Needy
37 Families, Supplemental Security Income (SSI), Social
38 Security, veterans' benefits, unemployment compensation, or

1 any federally qualified pension, such as a state or federal
2 pension, individual retirement account (IRA), or 401K plan,
3 you may claim the account as fully exempt if you have
4 deposited only such benefit funds in the account. It may be
5 partially exempt even though you have deposited money from
6 other sources in the same account. An exemption is also
7 available under RCW 26.16.200, providing that funds in a
8 community bank account that can be identified as the earnings
9 of a stepparent are exempt from a garnishment on the child
10 support obligation of the parent.

11 OTHER EXEMPTIONS. If the garnishee holds other property of
12 yours, some or all of it may be exempt under RCW 6.15.010, a
13 Washington statute that exempts certain property of your
14 choice (including up to \$2,500.00 in a bank account if you
15 owe on private student loan debts or medical debt or up to
16 \$500.00 in a bank account for all other debts) and certain
17 other property such as household furnishings, tools of trade,
18 and a motor vehicle (all limited by differing dollar values).

19 HOW TO CLAIM EXEMPTIONS. Fill out the enclosed claim form and
20 mail or deliver it as described in instructions on the claim
21 form. If the plaintiff does not object to your claim, the
22 funds or other property that you have claimed as exempt must
23 be released not later than 10 days after the plaintiff
24 receives your claim form. If the plaintiff objects, the law
25 requires a hearing not later than 14 days after the plaintiff
26 receives your claim form, and notice of the objection and
27 hearing date will be mailed to you at the address that you
28 put on the claim form.

29 THE LAW ALSO PROVIDES OTHER EXEMPTION RIGHTS. IF NECESSARY,
30 AN ATTORNEY CAN ASSIST YOU TO ASSERT THESE AND OTHER RIGHTS,
31 BUT YOU MUST ACT IMMEDIATELY TO AVOID LOSS OF RIGHTS BY
32 DELAY.

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

[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.
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.

- 1 Federally qualified pension, such as a state or
- 2 federal pension, individual retirement account
- 3 (IRA), or 401K plan. I receive \$ monthly.
- 4 Unemployment Compensation. I receive \$
- 5 monthly.
- 6 Child support. I receive \$ monthly.
- 7 Other. Explain
- 8 \$2,500 exemption for private student loan debts.
- 9 \$2,500 exemption for medical debts.
- 10 \$500 exemption for all other debts.

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

- 13 No money other than from above payments are in
- 14 the account.
- 15 Moneys in addition to the above payments have
- 16 been deposited in the account. Explain
- 17
- 18

19 OTHER PROPERTY:

- 20 Describe property
- 21

22 (If you claim other personal property as exempt,
 23 you must attach a list of all other personal property
 24 that you own.)

25

26 Print: Your name	If married or in a state 27 registered domestic 28 partnership, 29 name of husband/wife/ 30 state registered domestic 31 partner
--------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

32

33 Your signature	Signature of husband, 34 wife, or state registered 35 domestic partner
------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------

36

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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.

(b) If the writ is directed to an employer to garnish earnings, the claim form required by RCW 6.27.130(1) to be mailed to or served on an individual judgment debtor shall be in the following form, subject to (c) of this subsection, printed or typed in no smaller 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:

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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 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.
IF EARNINGS ARE GARNISHED FOR MEDICAL DEBT:

I claim maximum exemption.

1	Print: Your name	If married or in a state
2		registered domestic
3		partnership,
4		name of husband/wife/state
5		registered domestic partner
6
7	Your signature	Signature of husband,
8		wife, or state registered
9		domestic partner
10
11
12	Address	Address
13		(if different from yours)
14
15	Telephone number	Telephone number
16		(if different from yours)

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

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

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

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

33 (e) If the writ under (b) of this subsection is not a writ for
34 the collection of medical debt, the exemption language pertaining to
35 medical debt may be omitted.

1 **Sec. 7.** RCW 6.27.150 and 2018 c 199 s 207 are each amended to
2 read as follows:

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

7 (a) Thirty-five times the federal minimum hourly wage in effect
8 at the time the earnings are payable; or

9 (b) Seventy-five percent of the disposable earnings of the
10 defendant.

11 (2) In the case of a garnishment based on a judgment or other
12 order for child support or court order for spousal maintenance, other
13 than a mandatory wage assignment order pursuant to chapter 26.18 RCW,
14 or a mandatory assignment of retirement benefits pursuant to chapter
15 41.50 RCW, the exemption shall be fifty percent of the disposable
16 earnings of the defendant.

17 (3) In the case of a garnishment based on a judgment or other
18 order for the collection of private student loan debt or medical
19 debt, for each week of such earnings, an amount shall be exempt from
20 garnishment which is the greater of the following:

21 (a) Fifty times the minimum hourly wage of the highest minimum
22 wage law in the state at the time the earnings are payable; or

23 (b) Eighty-five percent of the disposable earnings of the
24 defendant.

25 (4) The exemptions stated in this section shall apply whether
26 such earnings are paid, or are to be paid, weekly, monthly, or at
27 other intervals, and whether earnings are due the defendant for one
28 week, a portion thereof, or for a longer period.

29 (5) Unless directed otherwise by the court, the garnishee shall
30 determine and deduct exempt amounts under this section as directed in
31 the writ of garnishment and answer, and shall pay these amounts to
32 the defendant.

33 (6) No money due or earned as earnings as defined in RCW 6.27.010
34 shall be exempt from garnishment under the provisions of RCW
35 6.15.010, as now or hereafter amended.

36 **Sec. 8.** RCW 6.32.010 and 1994 c 189 s 4 are each amended to read
37 as follows:

38 (1) At any time within ten years after entry of a judgment for
39 the sum of twenty-five dollars or over, unless the time is extended

1 in accordance with RCW 6.17.020(3), upon application by the judgment
2 creditor such court or judge may, by an order, require the judgment
3 debtor to appear at a specified time and place before the judge
4 granting the order, or a referee appointed by the judge, to answer
5 concerning the same (~~and~~).

6 (2) Except as provided in subsection (4) of this section, the
7 judge to whom application is made under this chapter may, if it is
8 made to appear to him or her by the affidavit of the judgment
9 creditor, his or her agent or attorney that there is danger of the
10 debtor absconding, order the sheriff to arrest the debtor and bring
11 him or her before the judge granting the order. Upon being brought
12 before the judge, he or she may be ordered to enter into a bond, with
13 sufficient sureties, that he or she will attend from time to time
14 before the judge or referee, as shall be directed, during the
15 pendency of the proceedings and until the final termination thereof.

16 (3) If the judgment debtor or other persons against whom the
17 special proceedings are instituted has been served with these
18 proceedings, the plaintiff shall be entitled to costs of service,
19 notary fees, and an appearance fee of twenty-five dollars. If the
20 judgment debtor or other persons fail to answer or appear, the
21 plaintiff shall additionally be entitled to reasonable attorney fees.
22 If a plaintiff institutes special proceedings and fails to appear, a
23 judgment debtor or other person against whom the proceeding was
24 instituted who appears is entitled to an appearance fee of twenty-
25 five dollars and reasonable attorney fees.

26 (4) A plaintiff may not seek a warrant for the arrest of a
27 judgment debtor for any act or failure to act that arises out of or
28 relates to a judgment for medical debt, unless the act or failure to
29 act constitutes a crime under state law.

30 **Sec. 9.** RCW 19.16.100 and 2015 c 201 s 3 are each amended to
31 read as follows:

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

35 (1) "Board" means the Washington state collection agency board.

36 (2) "Claim" means any obligation for the payment of money or
37 thing of value arising out of any agreement or contract, express or
38 implied.

1 (3) "Client" or "customer" means any person authorizing or
2 employing a collection agency to collect a claim.

3 (4) "Collection agency" means and includes:

4 (a) Any person directly or indirectly engaged in soliciting
5 claims for collection, or collecting or attempting to collect claims
6 owed or due or asserted to be owed or due another person;

7 (b) Any person who directly or indirectly furnishes or attempts
8 to furnish, sells, or offers to sell forms represented to be a
9 collection system or scheme intended or calculated to be used to
10 collect claims even though the forms direct the debtor to make
11 payment to the creditor and even though the forms may be or are
12 actually used by the creditor himself or herself in his or her own
13 name;

14 (c) Any person who in attempting to collect or in collecting his
15 or her own claim uses a fictitious name or any name other than his or
16 her own which would indicate to the debtor that a third person is
17 collecting or attempting to collect such claim;

18 (d) Any person or entity that is engaged in the business of
19 purchasing delinquent or charged off claims for collection purposes,
20 whether it collects the claims itself or hires a third party for
21 collection or an attorney for litigation in order to collect such
22 claims;

23 (e) Any person or entity attempting to enforce a lien under
24 chapter 60.44 RCW, other than the person or entity originally
25 entitled to the lien.

26 (5) "Collection agency" does not mean and does not include:

27 (a) Any individual engaged in soliciting claims for collection,
28 or collecting or attempting to collect claims on behalf of a licensee
29 under this chapter, if said individual is an employee of the
30 licensee;

31 (b) Any individual collecting or attempting to collect claims for
32 not more than one employer, if all the collection efforts are carried
33 on in the name of the employer and if the individual is an employee
34 of the employer;

35 (c) Any person whose collection activities are carried on in his,
36 her, or its true name and are confined and are directly related to
37 the operation of a business other than that of a collection agency,
38 such as but not limited to: Trust companies; savings and loan
39 associations; building and loan associations; abstract companies
40 doing an escrow business; real estate brokers; property management

1 companies collecting assessments, charges, or fines on behalf of
2 condominium unit owners associations, associations of apartment
3 owners, or homeowners' associations; public officers acting in their
4 official capacities; persons acting under court order; lawyers;
5 insurance companies; credit unions; loan or finance companies;
6 mortgage banks; and banks;

7 (d) Any person who on behalf of another person prepares or mails
8 monthly or periodic statements of accounts due if all payments are
9 made to that other person and no other collection efforts are made by
10 the person preparing the statements of account;

11 (e) An "out-of-state collection agency" as defined in this
12 chapter; or

13 (f) Any person while acting as a debt collector for another
14 person, both of whom are related by common ownership or affiliated by
15 corporate control, if the person acting as a debt collector does so
16 only for persons to whom it is so related or affiliated and if the
17 principal business of the person is not the collection of debts.

18 (6) "Commercial claim" means any obligation for payment of money
19 or thing of value arising out of any agreement or contract, express
20 or implied, where the transaction which is the subject of the
21 agreement or contract is not primarily for personal, family, or
22 household purposes.

23 (7) "Debtor" means any person owing or alleged to owe a claim.

24 (8) "Director" means the director of licensing.

25 (9) "Licensee" means any person licensed under this chapter.

26 (10) "Medical debt" means any obligation for the payment of money
27 arising out of any agreement or contract, express or implied, for the
28 provision of health care services as defined in RCW 48.44.010. In the
29 context of "medical debt," "charity care" has the same meaning as
30 provided in RCW 70.170.020.

31 (11) "Out-of-state collection agency" means a person whose
32 activities within this state are limited to collecting debts from
33 debtors located in this state by means of interstate communications,
34 including telephone, mail, or facsimile transmission, from the
35 person's location in another state on behalf of clients located
36 outside of this state, but does not include any person who is
37 excluded from the definition of the term "debt collector" under the
38 federal fair debt collection practices act (15 U.S.C. Sec. 1692a(6)).

39 ~~((11))~~ (12) "Person" includes individual, firm, partnership,
40 trust, joint venture, association, or corporation.

1 (~~(12)~~) (13) "Statement of account" means a report setting forth
2 only amounts billed, invoices, credits allowed, or aged balance due.

3 **Sec. 10.** RCW 19.16.250 and 2016 c 86 s 4 are each amended to
4 read as follows:

5 No licensee or employee of a licensee shall:

6 (1) Directly or indirectly aid or abet any unlicensed person to
7 engage in business as a collection agency in this state or receive
8 compensation from such unlicensed person: PROVIDED, That nothing in
9 this chapter shall prevent a licensee from accepting, as forwarder,
10 claims for collection from a collection agency or attorney whose
11 place of business is outside the state.

12 (2) Collect or attempt to collect a claim by the use of any means
13 contrary to the postal laws and regulations of the United States
14 postal department.

15 (3) Publish or post or cause to be published or posted, any list
16 of debtors commonly known as "bad debt lists" or threaten to do so.
17 For purposes of this chapter, a "bad debt list" means any list of
18 natural persons alleged to fail to honor their lawful debts. However,
19 nothing herein shall be construed to prohibit a licensee from
20 communicating to its customers or clients by means of a coded list,
21 the existence of a check dishonored because of insufficient funds,
22 not sufficient funds or closed account by the financial institution
23 servicing the debtor's checking account: PROVIDED, That the debtor's
24 identity is not readily apparent: PROVIDED FURTHER, That the licensee
25 complies with the requirements of subsection (10)(e) of this section.

26 (4) Have in his or her possession or make use of any badge, use a
27 uniform of any law enforcement agency or any simulation thereof, or
28 make any statements which might be construed as indicating an
29 official connection with any federal, state, county, or city law
30 enforcement agency, or any other governmental agency, while engaged
31 in collection agency business.

32 (5) Perform any act or acts, either directly or indirectly,
33 constituting the unauthorized practice of law.

34 (6) Advertise for sale or threaten to advertise for sale any
35 claim as a means of endeavoring to enforce payment thereof or
36 agreeing to do so for the purpose of soliciting claims, except where
37 the licensee has acquired claims as an assignee for the benefit of
38 creditors or where the licensee is acting under court order.

1 (7) Use any name while engaged in the making of a demand for any
2 claim other than the name set forth on his or her or its current
3 license issued hereunder.

4 (8) Give or send to any debtor or cause to be given or sent to
5 any debtor, any notice, letter, message, or form, other than through
6 proper legal action, process, or proceedings, which represents or
7 implies that a claim exists unless it shall indicate in clear and
8 legible type:

9 (a) The name of the licensee and the city, street, and number at
10 which he or she is licensed to do business;

11 (b) The name of the original creditor to whom the debtor owed the
12 claim if such name is known to the licensee or employee: PROVIDED,
13 That upon written request of the debtor, the licensee shall provide
14 this name to the debtor or cease efforts to collect on the debt until
15 this information is provided;

16 (c) If the notice, letter, message, or form is the first notice
17 to the debtor or if the licensee is attempting to collect a different
18 amount than indicated in his or her or its first notice to the
19 debtor, an itemization of the claim asserted must be made including:

20 (i) Amount owing on the original obligation at the time it was
21 received by the licensee for collection or by assignment;

22 (ii) Interest or service charge, collection costs, or late
23 payment charges, if any, added to the original obligation by the
24 original creditor, customer or assignor before it was received by the
25 licensee for collection, if such information is known by the licensee
26 or employee: PROVIDED, That upon written request of the debtor, the
27 licensee shall make a reasonable effort to obtain information on such
28 items and provide this information to the debtor;

29 (iii) Interest or service charge, if any, added by the licensee
30 or customer or assignor after the obligation was received by the
31 licensee for collection;

32 (iv) Collection costs, if any, that the licensee is attempting to
33 collect;

34 (v) Attorneys' fees, if any, that the licensee is attempting to
35 collect on his or her or its behalf or on the behalf of a customer or
36 assignor; and

37 (vi) Any other charge or fee that the licensee is attempting to
38 collect on his or her or its own behalf or on the behalf of a
39 customer or assignor;

1 (d) If the notice, letter, message, or form concerns a judgment
2 obtained against the debtor, no itemization of the amounts contained
3 in the judgment is required, except postjudgment interest, if
4 claimed, and the current account balance;

5 (e) If the notice, letter, message, or form is the first notice
6 to the debtor, an itemization of the claim asserted must be made
7 including the following information:

8 (i) The original account number or redacted original account
9 number assigned to the debt, if known to the licensee or employee:
10 PROVIDED, That upon written request of the debtor, the licensee must
11 make a reasonable effort to obtain this information or cease efforts
12 to collect on the debt until this information is provided; and

13 (ii) The date of the last payment to the creditor on the subject
14 debt by the debtor, if known to the licensee or employee: PROVIDED,
15 That upon written request of the debtor, the licensee must make a
16 reasonable effort to obtain this information or cease efforts to
17 collect on the debt until this information is provided.

18 (9) Communicate in writing with a debtor concerning a claim
19 through a proper legal action, process, or proceeding, where such
20 communication is the first written communication with the debtor,
21 without providing the information set forth in subsection (8)(c) of
22 this section in the written communication.

23 (10) Communicate or threaten to communicate, the existence of a
24 claim to a person other than one who might be reasonably expected to
25 be liable on the claim in any manner other than through proper legal
26 action, process, or proceedings except under the following
27 conditions:

28 (a) Except as provided in subsection (27)(e) of this section, a
29 licensee or employee of a licensee may inform a credit reporting
30 bureau of the existence of a claim. If the licensee or employee of a
31 licensee reports a claim to a credit reporting bureau, the licensee
32 shall, upon receipt of written notice from the debtor that any part
33 of the claim is disputed, notify the credit reporting bureau of the
34 dispute by written or electronic means and create a record of the
35 fact of the notification and when the notification was provided;

36 (b) A licensee or employee in collecting or attempting to collect
37 a claim may communicate the existence of a claim to a debtor's
38 employer if the claim has been reduced to a judgment;

1 (c) A licensee or employee in collecting or attempting to collect
2 a claim that has not been reduced to judgment, may communicate the
3 existence of a claim to a debtor's employer if:

4 (i) The licensee or employee has notified or attempted to notify
5 the debtor in writing at his or her last known address or place of
6 employment concerning the claim and the debtor after a reasonable
7 time has failed to pay the claim or has failed to agree to make
8 payments on the claim in a manner acceptable to the licensee, and

9 (ii) The debtor has not in writing to the licensee disputed any
10 part of the claim: PROVIDED, That the licensee or employee may only
11 communicate the existence of a claim which has not been reduced to
12 judgment to the debtor's employer once unless the debtor's employer
13 has agreed to additional communications.

14 (d) A licensee may for the purpose of locating the debtor or
15 locating assets of the debtor communicate the existence of a claim to
16 any person who might reasonably be expected to have knowledge of the
17 whereabouts of a debtor or the location of assets of the debtor if
18 the claim is reduced to judgment, or if not reduced to judgment,
19 when:

20 (i) The licensee or employee has notified or attempted to notify
21 the debtor in writing at his or her last known address or last known
22 place of employment concerning the claim and the debtor after a
23 reasonable time has failed to pay the claim or has failed to agree to
24 make payments on the claim in a manner acceptable to the licensee,
25 and

26 (ii) The debtor has not in writing disputed any part of the
27 claim.

28 (e) A licensee may communicate the existence of a claim to its
29 customers or clients if the claim is reduced to judgment, or if not
30 reduced to judgment, when:

31 (i) The licensee has notified or attempted to notify the debtor
32 in writing at his or her last known address or last known place of
33 employment concerning the claim and the debtor after a reasonable
34 time has failed to pay the claim or has failed to agree to make
35 payments on the claim in a manner acceptable to the licensee, and

36 (ii) The debtor has not in writing disputed any part of the
37 claim.

38 (11) Threaten the debtor with impairment of his or her credit
39 rating if a claim is not paid: PROVIDED, That advising a debtor that
40 the licensee has reported or intends to report a claim to a credit

1 reporting agency is not considered a threat if the licensee actually
2 has reported or intends to report the claim to a credit reporting
3 agency.

4 (12) Communicate with the debtor after notification in writing
5 from an attorney representing such debtor that all further
6 communications relative to a claim should be addressed to the
7 attorney: PROVIDED, That if a licensee requests in writing
8 information from an attorney regarding such claim and the attorney
9 does not respond within a reasonable time, the licensee may
10 communicate directly with the debtor until he or she or it again
11 receives notification in writing that an attorney is representing the
12 debtor.

13 (13) Communicate with a debtor or anyone else in such a manner as
14 to harass, intimidate, threaten, or embarrass a debtor, including but
15 not limited to communication at an unreasonable hour, with
16 unreasonable frequency, by threats of force or violence, by threats
17 of criminal prosecution, and by use of offensive language. A
18 communication shall be presumed to have been made for the purposes of
19 harassment if:

20 (a) It is made with a debtor or spouse in any form, manner, or
21 place, more than three times in a single week, unless the licensee is
22 responding to a communication from the debtor or spouse;

23 (b) It is made with a debtor at his or her place of employment
24 more than one time in a single week, unless the licensee is
25 responding to a communication from the debtor;

26 (c) It is made with the debtor or spouse at his or her place of
27 residence between the hours of 9:00 p.m. and 7:30 a.m. A call to a
28 telephone is presumed to be received in the local time zone to which
29 the area code of the number called is assigned for landline numbers,
30 unless the licensee reasonably believes the telephone is located in a
31 different time zone. If the area code is not assigned to landlines in
32 any specific geographic area, such as with toll-free telephone
33 numbers, a call to a telephone is presumed to be received in the
34 local time zone of the debtor's last known place of residence, unless
35 the licensee reasonably believes the telephone is located in a
36 different time zone.

37 (14) Communicate with the debtor through use of forms or
38 instruments that simulate the form or appearance of judicial process,
39 the form or appearance of government documents, or the simulation of
40 a form or appearance of a telegraphic or emergency message.

1 (15) Communicate with the debtor and represent or imply that the
2 existing obligation of the debtor may be or has been increased by the
3 addition of attorney fees, investigation fees, service fees, or any
4 other fees or charges when in fact such fees or charges may not
5 legally be added to the existing obligation of such debtor.

6 (16) Threaten to take any action against the debtor which the
7 licensee cannot legally take at the time the threat is made.

8 (17) Send any telegram or make any telephone calls to a debtor or
9 concerning a debt or for the purpose of demanding payment of a claim
10 or seeking information about a debtor, for which the charges are
11 payable by the addressee or by the person to whom the call is made:
12 PROVIDED, That:

13 (a) This subsection does not prohibit a licensee from attempting
14 to communicate by way of a cellular telephone or other wireless
15 device: PROVIDED, That a licensee cannot cause charges to be incurred
16 to the recipient of the attempted communication more than three times
17 in any calendar week when the licensee knows or reasonably should
18 know that the number belongs to a cellular telephone or other
19 wireless device, unless the licensee is responding to a communication
20 from the debtor or the person to whom the call is made.

21 (b) The licensee is not in violation of (a) of this subsection if
22 the licensee at least monthly updates its records with information
23 provided by a commercial provider of cellular telephone lists that
24 the licensee in good faith believes provides reasonably current and
25 comprehensive data identifying cellular telephone numbers, calls a
26 number not appearing in the most recent list provided by the
27 commercial provider, and does not otherwise know or reasonably should
28 know that the number belongs to a cellular telephone.

29 (c) This subsection may not be construed to increase the number
30 of communications permitted pursuant to subsection (13)(a) of this
31 section.

32 (18) Call, or send a text message or other electronic
33 communication to, a cellular telephone or other wireless device more
34 than twice in any day when the licensee knows or reasonably should
35 know that the number belongs to a cellular telephone or other
36 wireless device, unless the licensee is responding to a communication
37 from the debtor or the person to whom the call, text message, or
38 other electronic communication is made. The licensee is not in
39 violation of this subsection if the licensee at least monthly updates
40 its records with information provided by a commercial provider of

1 cellular telephone lists that the licensee in good faith believes
2 provides reasonably current and comprehensive data identifying
3 cellular telephone numbers, calls a number not appearing in the most
4 recent list provided by the commercial provider, and does not
5 otherwise know or reasonably should know that the number belongs to a
6 cellular telephone. Nothing in this subsection may be construed to
7 increase the number of communications permitted pursuant to
8 subsection (13) (a) of this section.

9 (19) Intentionally block its telephone number from displaying on
10 a debtor's telephone.

11 (20) In any manner convey the impression that the licensee is
12 vouched for, bonded to or by, or is an instrumentality of the state
13 of Washington or any agency or department thereof.

14 (21) Collect or attempt to collect in addition to the principal
15 amount of a claim any sum other than allowable interest, collection
16 costs or handling fees expressly authorized by statute, and, in the
17 case of suit, attorney's fees and taxable court costs. A licensee may
18 collect or attempt to collect collection costs and fees, including
19 contingent collection fees, as authorized by a written agreement or
20 contract, between the licensee's client and the debtor, in the
21 collection of a commercial claim. The amount charged to the debtor
22 for collection services shall not exceed thirty-five percent of the
23 commercial claim.

24 (22) Procure from a debtor or collect or attempt to collect on
25 any written note, contract, stipulation, promise or acknowledgment
26 under which a debtor may be required to pay any sum other than
27 principal, allowable interest, except as noted in subsection (21) of
28 this section, and, in the case of suit, attorney's fees and taxable
29 court costs.

30 (23) Bring an action or initiate an arbitration proceeding on a
31 claim when the licensee knows, or reasonably should know, that such
32 suit or arbitration is barred by the applicable statute of
33 limitations.

34 (24) Upon notification by a debtor that the debtor disputes all
35 debts arising from a series of dishonored checks, automated
36 clearinghouse transactions on a demand deposit account, or other
37 preprinted written instruments, initiate oral contact with a debtor
38 more than one time in an attempt to collect from the debtor debts
39 arising from the identified series of dishonored checks, automated
40 clearinghouse transactions on a demand deposit account, or other

1 preprinted written instruments when: (a) Within the previous one
2 hundred eighty days, in response to the licensee's attempt to collect
3 the initial debt assigned to the licensee and arising from the
4 identified series of dishonored checks, automated clearinghouse
5 transactions on a demand deposit account, or other preprinted written
6 instruments, the debtor in writing notified the licensee that the
7 debtor's checkbook or other series of preprinted written instruments
8 was stolen or fraudulently created; (b) the licensee has received
9 from the debtor a certified copy of a police report referencing the
10 theft or fraudulent creation of the checkbook, automated
11 clearinghouse transactions on a demand deposit account, or series of
12 preprinted written instruments; (c) in the written notification to
13 the licensee or in the police report, the debtor identified the
14 financial institution where the account was maintained, the account
15 number, the magnetic ink character recognition number, the full bank
16 routing and transit number, and the check numbers of the stolen
17 checks, automated clearinghouse transactions on a demand deposit
18 account, or other preprinted written instruments, which check numbers
19 included the number of the check that is the subject of the
20 licensee's collection efforts; (d) the debtor provides, or within the
21 previous one hundred eighty days provided, to the licensee a legible
22 copy of a government-issued photo identification, which contains the
23 debtor's signature and which was issued prior to the date of the
24 theft or fraud identified in the police report; and (e) the debtor
25 advised the licensee that the subject debt is disputed because the
26 identified check, automated clearinghouse transaction on a demand
27 deposit account, or other preprinted written instrument underlying
28 the debt is a stolen or fraudulently created check or instrument.

29 The licensee is not in violation of this subsection if the
30 licensee initiates oral contact with the debtor more than one time in
31 an attempt to collect debts arising from the identified series of
32 dishonored checks, automated clearinghouse transactions on a demand
33 deposit account, or other preprinted written instruments when: (i)
34 The licensee acted in good faith and relied on their established
35 practices and procedures for batching, recording, or packeting debtor
36 accounts, and the licensee inadvertently initiates oral contact with
37 the debtor in an attempt to collect debts in the identified series
38 subsequent to the initial debt assigned to the licensee; (ii) the
39 licensee is following up on collection of a debt assigned to the
40 licensee, and the debtor has previously requested more information

1 from the licensee regarding the subject debt; (iii) the debtor has
2 notified the licensee that the debtor disputes only some, but not all
3 the debts arising from the identified series of dishonored checks,
4 automated clearinghouse transactions on a demand deposit account, or
5 other preprinted written instruments, in which case the licensee
6 shall be allowed to initiate oral contact with the debtor one time
7 for each debt arising from the series of identified checks, automated
8 clearinghouse transactions on a demand deposit account, or written
9 instruments and initiate additional oral contact for those debts that
10 the debtor acknowledges do not arise from stolen or fraudulently
11 created checks or written instruments; (iv) the oral contact is in
12 the context of a judicial, administrative, arbitration, mediation, or
13 similar proceeding; or (v) the oral contact is made for the purpose
14 of investigating, confirming, or authenticating the information
15 received from the debtor, to provide additional information to the
16 debtor, or to request additional information from the debtor needed
17 by the licensee to accurately record the debtor's information in the
18 licensee's records.

19 (25) Bring an action or initiate an arbitration proceeding on a
20 claim for any amounts related to a transfer of sale of a vehicle
21 when:

22 (a) The licensee has been informed or reasonably should know that
23 the department of licensing transfer of sale form was filed in
24 accordance with RCW 46.12.650 (1) through (3);

25 (b) The licensee has been informed or reasonably should know that
26 the transfer of the vehicle either (i) was not made pursuant to a
27 legal transfer or (ii) was not voluntarily accepted by the person
28 designated as the purchaser/transferee; and

29 (c) Prior to the commencement of the action or arbitration, the
30 licensee has received from the putative transferee a copy of a police
31 report referencing that the transfer of sale of the vehicle either
32 (i) was not made pursuant to a legal transfer or (ii) was not
33 voluntarily accepted by the person designated as the purchaser/
34 transferee.

35 (26) Submit an affidavit or other request pursuant to chapter
36 6.32 RCW asking a superior or district court to transfer a bond
37 posted by a debtor subject to a money judgment to the licensee, when
38 the debtor has appeared as required.

39 (27) If the claim involves medical debt:

1 (a) Fail to include, with the first written notice to the debtor,
2 a statement that informs the debtor of the debtor's right to request
3 the original account number or redacted original account number
4 assigned to the debt, the date of the last payment, and an itemized
5 statement as provided in (b) of this subsection (27);

6 (b) Fail to provide to the debtor, upon written or oral request
7 by the debtor for more information than is contained in a general
8 balance due letter, an itemized statement free of charge. Unless and
9 until the licensee provides the itemized statement, the licensee must
10 cease all collection efforts. However, properly executed postjudgment
11 writs, including writs of garnishment and execution, are not required
12 to be ceased and second or subsequent requests for information
13 already provided do not require the cessation of collection efforts.
14 The itemized statement must include:

15 (i) The name and address of the medical creditor;

16 (ii) The date, dates, or date range of service;

17 (iii) The health care services provided to the patient as
18 indicated by the health care provider in a statement provided to the
19 licensee;

20 (iv) The amount of principal for any medical debt or debts
21 incurred;

22 (v) Any adjustment to the bill, such as negotiated insurance
23 rates or other discounts;

24 (vi) The amount of any payments received, whether from the
25 patient or any other party;

26 (vii) Any interest or fees; and

27 (viii) Whether the patient was found eligible for charity care or
28 other reductions and, if so, the amount due after all charity care
29 and other reductions have been applied to the itemized statement;

30 (c) Collect or attempt to collect prejudgment interest on medical
31 debt without first providing written notice to the debtor, at least
32 forty days prior to assessing any prejudgment interest, that the
33 licensee intends to collect prejudgment interest. For purposes of
34 this subsection, mailing written notice to the debtor's last known
35 address is sufficient;

36 (d) Fail to provide, in the event that the licensee is made aware
37 subsequent to providing the notice required in (c) of this subsection
38 that a payment or adjustment has been made by a "carrier" as defined
39 in RCW 48.44.010 or that financial assistance or charity care has
40 been granted by the original creditor and applied to the medical

1 debt, notice informing the debtor of the new balance and, if the
2 licensee intends to charge prejudgment interest, that prejudgment
3 interest on the new balance may be assessed no sooner than forty days
4 from the date of the notice to the debtor and that prejudgment
5 interest accrued prior to the payment or adjustment may not be
6 collected;

7 (e) Report adverse information to consumer credit reporting
8 agencies or credit bureaus until at least one hundred eighty days
9 after the original obligation was received by the licensee for
10 collection or by assignment.

11 (28) If the claim involves hospital debt:

12 (a) Fail to include, with the first written notice to the debtor,
13 a notice that the debtor may be eligible for charity care from the
14 hospital, together with the contact information for the hospital;

15 (b) Collect or attempt to collect a claim related to hospital
16 debt during the pendency of an application for charity care
17 sponsorship or an appeal from a final determination of charity care
18 sponsorship status. However, this prohibition is only applicable if
19 the licensee has received notice of the pendency of the application
20 or appeal.

21 **Sec. 11.** RCW 19.52.010 and 2011 c 336 s 542 are each amended to
22 read as follows:

23 (1) Except as provided in subsection (2) of this section, every
24 loan or forbearance of money, goods, or thing in action shall bear
25 interest at the rate of twelve percent per annum where no different
26 rate is agreed to in writing between the parties: PROVIDED, That with
27 regard to any transaction heretofore or hereafter entered into
28 subject to this section, if an agreement in writing between the
29 parties evidencing such transaction provides for the payment of money
30 at the end of an agreed period of time or in installments over an
31 agreed period of time, then such agreement shall constitute a writing
32 for purposes of this section and satisfy the requirements thereof.
33 The discounting of commercial paper, where the borrower makes himself
34 or herself liable as maker, guarantor, or indorser, shall be
35 considered as a loan for the purposes of this chapter.

36 (2)(a) Prejudgment interest charged or collected on medical debt,
37 as defined in RCW 19.16.100, must not exceed the rate for interest on
38 judgments for medical debt as set forth in RCW 4.56.110.

1 (b) For any medical debt for which prejudgment interest has
2 accrued or may be accruing as of the effective date of this section,
3 no prejudgment interest in excess of the rate for interest on
4 judgments for medical debt as set forth in RCW 4.56.110 shall accrue
5 thereafter.

6 (3) A lease shall not be considered a loan or forbearance for the
7 purposes of this chapter if:

8 (a) It constitutes a "consumer lease" as defined in RCW
9 63.10.020;

10 (b) It constitutes a lease-purchase agreement under chapter 63.19
11 RCW; or

12 (c) It would constitute such "consumer lease" but for the fact
13 that:

14 (i) The lessee was not a natural person;

15 (ii) The lease was not primarily for personal, family, or
16 household purposes; or

17 (iii) The total contractual obligation exceeded twenty-five
18 thousand dollars.

19 **Sec. 12.** RCW 19.52.020 and 1989 c 14 s 3 are each amended to
20 read as follows:

21 (1) Except as provided in subsection (4) of this section, any
22 rate of interest shall be legal so long as the rate of interest does
23 not exceed the higher of: (a) Twelve percent per annum; or (b) four
24 percentage points above the equivalent coupon issue yield (as
25 published by the Board of Governors of the Federal Reserve System) of
26 the average bill rate for twenty-six week treasury bills as
27 determined at the first bill market auction conducted during the
28 calendar month immediately preceding the later of (i) the
29 establishment of the interest rate by written agreement of the
30 parties to the contract, or (ii) any adjustment in the interest rate
31 in the case of a written agreement permitting an adjustment in the
32 interest rate. No person shall directly or indirectly take or receive
33 in money, goods, or things in action, or in any other way, any
34 greater interest for the loan or forbearance of any money, goods, or
35 things in action.

36 (2) (a) In any loan of money in which the funds advanced do not
37 exceed the sum of five hundred dollars, a setup charge may be charged
38 and collected by the lender, and such setup charge shall not be
39 considered interest hereunder.

1 (b) The setup charge shall not exceed four percent of the amount
2 of funds advanced, or fifteen dollars, whichever is the lesser,
3 except that on loans of under one hundred dollars a minimum not
4 exceeding four dollars may be so charged.

5 (3) Any loan made pursuant to a commitment to lend at an interest
6 rate permitted at the time the commitment is made shall not be
7 usurious. Credit extended pursuant to an open-end credit agreement
8 upon which interest is computed on the basis of a balance or balances
9 outstanding during a billing cycle shall not be usurious if on any
10 one day during the billing cycle the rate at which interest is
11 charged for the billing cycle is not usurious.

12 (4) (a) Prejudgment interest charged or collected on medical debt,
13 as defined in RCW 19.16.100, must not exceed the rate for interest on
14 judgments for medical debt as set forth in RCW 4.56.110.

15 (b) For any medical debt for which prejudgment interest has
16 accrued or may be accruing as of the effective date of this section,
17 no prejudgment interest in excess of the rate for interest on
18 judgments for medical debt as set forth in RCW 4.56.110 shall accrue
19 thereafter.

20 NEW SECTION. Sec. 13. A new section is added to chapter 70.54
21 RCW to read as follows:

22 (1) No health care provider or health care facility may sell or
23 assign medical debt to any person licensed under chapter 19.16 RCW
24 until at least one hundred twenty days after the initial billing
25 statement for that medical debt has been transmitted to the patient
26 or other responsible party.

27 (2) For the purposes of this section:

28 (a) "Health care facility" has the same meaning as provided in
29 RCW 70.02.010.

30 (b) "Health care provider" has the same meaning as provided in
31 RCW 70.02.010.

32 (c) "Medical debt" has the same meaning as provided in RCW
33 19.16.100.

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