

**RCW 19.134.020 Prohibited conduct.** (1) A credit services organization, its salespersons, agents, and representatives, and independent contractors who sell or attempt to sell the services of a credit services organization may not do any of the following:

(a) Charge or receive any money or other valuable consideration prior to full and complete performance of the services the credit services organization has agreed to perform for the consumer, unless the credit services organization has obtained a surety bond of \$10,000 issued by a surety company admitted to do business in this state and established a trust account at a federally insured bank or savings and loan association located in this state. The surety bond shall run to the state of Washington and the consumers. The surety bond shall be issued on the condition that the principal comply with all provisions of this chapter and fully perform on all contracts entered into with consumers. The surety bond shall be continuous until canceled and shall remain in full force and unimpaired at all times to comply with this section. The surety's liability for all claims in the aggregate against the continuous bond shall not exceed the penal sum of the bond. An action on the bond may be brought by the state or by any consumer by filing a complaint in a court of competent jurisdiction, including small claims court, within one year of cancellation of the surety bond. A complaint may be mailed by registered or certified mail, return receipt requested, to the surety and shall constitute good and sufficient service on the surety;

(b) Charge or receive any money or other valuable consideration solely for referral of the consumer to a retail seller who will or may extend credit to the consumer if the credit that is or will be extended to the consumer is upon substantially the same terms as those available to the general public;

(c) Fail to provide a monthly statement to the consumer detailing the services performed, including, if applicable, an accounting of any funds paid by a consumer and held or disbursed on the consumer's behalf and copies of any letters sent by the credit services organization on the consumer's behalf;

(d) Make or counsel or advise any consumer to make any statement that is untrue or misleading or that should be known by the exercise of reasonable care to be untrue or misleading, to a consumer reporting agency, creditor, collection agency, or regulatory entity, including submitting, or counseling, or advising a consumer to submit, a dispute without a good faith belief in the accuracy of the dispute;

(e) Make or use any untrue or misleading representations in the offer or sale of the services of a credit services organization or engage, directly or indirectly, in any act, practice, or course of business that operates or would operate as fraud or deception upon any person in connection with the offer or sale of the services of a credit services organization;

(f) Send any communication to a consumer reporting agency, creditor, collection agency, or regulatory entity without the prior written authorization of the consumer. A relevant authorization in the agreement or contract between a consumer and a credit services organization is sufficient for the purpose of this subsection;

(g) Fail to make a written communication sent on behalf of a consumer to any consumer reporting agency, creditor, collection agency, or regulatory entity, or legal counsel for any of the foregoing available to the consumer; or

(h) Fail to provide along with its first written communication to a consumer reporting agency, creditor, debt collector, or regulatory

entity information sufficient to permit the consumer reporting agency, creditor, debt collector, or regulatory entity to investigate the account or accounts that are the subject of the written communication.

(2) Seeking to obtain, or the obtaining of, a consumer's credit report and the performance of other services necessary to determine the needs of a consumer for the reinvestigation of any accounts shall not constitute services of a credit services organization for which a contract is required pursuant to RCW 19.134.060 if that activity is undertaken with the consumer's prior written, electronic, or recorded oral consent. [2023 c 144 s 2; 1989 c 303 s 2; 1986 c 218 s 3.]