CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5720

Chapter 107, Laws of 2026

69th Legislature
2026 Regular Session

UNIFORM CONSUMER DEBT DEFAULT JUDGMENTS ACT

EFFECTIVE DATE: January 1, 2027

Passed by the Senate February 5, 2026
Yeas 47 Nays 0

DENNY HECK

President of the Senate

Passed by the House March 4, 2026
Yeas 93 Nays 1

LAURIE JINKINS

Speaker of the House of Representatives

Approved March 18, 2026 10:41 AM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5720** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

March 19, 2026

Secretary of State
State of Washington

SUBSTITUTE SENATE BILL 5720

Passed Legislature - 2026 Regular Session

State of Washington 69th Legislature 2026 Regular Session

By Senate Law & Justice (originally sponsored by Senators Pedersen and Warnick; by request of Uniform Law Commission)

READ FIRST TIME 01/23/26.

AN ACT Relating to the uniform consumer debt default judgments act; amending RCW 19.16.260; adding a new chapter to Title 4 RCW; and providing an effective date.

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

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

NEW SECTION. **Sec. 2.** INTENT. The legislature enacted critical protections for consumers in 2020 through the passage of Substitute House Bill No. 2476 regarding debt buyers. In enacting the uniform consumer debt default judgments act, the legislature intends to broaden those protections by: (1) Expanding requirements and remedies previously applicable only to debt buyers to be applicable to all holders of purchased debt and any affiliates; and (2) imposing new disclosure requirements in all actions to collect consumer debt and new remedies in actions in which those requirements are not satisfied.

NEW SECTION. **Sec. 3.** DEFINITIONS. In this chapter:

(1) "Affiliate" has the same meaning as provided in RCW 48.31B.005.

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

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

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

(5) "Creditor" means a person to which a consumer debt is owed at the time of the itemization date. If purchased debt is owed on the itemization date, the "creditor" is the person to whom the purchased debt was owed immediately prior to the time the debt was purchased or acquired.

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

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

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

(a) Date of charge off;

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

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

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

(e) Date of last payment;

(f) Date of transaction;

(g) Date of any arbitration award; or

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

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

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

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

(12) "Purchased debt" means debt that is purchased or ownership of which is acquired after having been incurred by the consumer.

(13) "Record" means information:

(a) Inscribed on a tangible medium; or

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

(14) "Secured consumer debt" means a consumer debt secured by real or personal property.

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

(a) Execute or adopt a tangible symbol; or

(b) Attach to or logically associate with the record an electronic symbol, sound, or process.

(16) "Unsecured consumer debt" means a consumer debt not secured by real or personal property.

NEW SECTION. **Sec. 4.** SCOPE. (1) Except as provided in subsection (2) of this section, this chapter applies to the award of a default judgment in an action for collection of:

(a) An unsecured consumer debt;

(b) A secured consumer debt if the action is brought solely to obtain a money judgment; or

(c) A deficiency that remains after disposition of property that secured a consumer debt.

(2) This chapter does not apply to:

(a) An action to take possession of or dispose of real or personal property, even if the action includes a request for a money judgment; or

(b) An action to collect a debt owed to a government, governmental subdivision, or agency in which the government, governmental subdivision, or agency is the plaintiff.

NEW SECTION. **Sec. 5.** COMPLAINT REQUIREMENTS. (1) A default judgment in an action to which this chapter applies may be entered only if the complaint or amended complaint complies with this section and includes the notice required under section 6 of this act.

(2) If the plaintiff amends a complaint before a responsive pleading is made, causing it to comply with this section or include the notice required under section 6 of this act where it did not previously, the personal jurisdiction of the court over the defendant

is voided and is acquired again only when the amended complaint is served on the defendant as though it was the original complaint.

(3) The complaint or amended complaint must state:

(a) The name and the last known city, county, state, and zip code portions of the address of each consumer named in the complaint in the records of the creditor;

(b) For medical debt, the name of the provider or facility associated with the debt on the itemization date;

(c) The name of the creditor, including any merchant brand, affinity brand, or facility name associated with the debt;

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

(e) The date of the last payment, if applicable, or the date of the last transaction;

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

(g) The amount of the outstanding balance;

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

(i) Total finance charges;

(ii) Total fees or costs; and

(iii) Total credits and payments;

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

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

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

(l) Facts sufficient to demonstrate that the action is being commenced within the statute of limitation period applicable to the debt; and

(m) If the plaintiff is bringing an action to recover purchased debt on behalf of a person who holds purchased debt:

(i) That the action is being brought by, or for the benefit of, a person that is engaged in the business of purchasing debt for collection purposes;

(ii) The date the debt was purchased;

(iii) The identity of the person from whom or which the debt was purchased;

(iv) That the plaintiff may have purchased this debt for less than the value stated in the complaint;

(v) If the debt was at any time sold without any representation or warranty of accuracy, a statement to that effect; and

(vi) If the account is not a revolving credit account, the date the debt was incurred.

(4) Subject to authentication that satisfies the requirements of rule 803(a)(6) of the rules of evidence and RCW 5.45.020 or is otherwise authorized by law or rule, the plaintiff must attach to the complaint or amended complaint:

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

(i) A copy of an agreement signed by the consumer evidencing the original debt;

(ii) A copy of the most recent monthly statement recording a purchase, payment, or extension of credit; or

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

(b) If the action is to recover purchased debt, a copy of the assignment or other writing establishing that the person asserting ownership of the debt is the owner of the debt. If the debt was assigned more than once, each assignment or other writing evidencing transfer of ownership must be attached to establish an unbroken chain of ownership, beginning with the original creditor to the first person who held purchased debt and each subsequent sale;

(c) If the action is based on a credit card debt for which a signed writing evidencing the original debt does not exist, a copy of the most recent monthly statement recording a purchase transaction, payment, or other extension of credit; and

(d) If the action is based on a breach of contract, a copy of the terms and conditions in place at the time of the most recent monthly statement recording a purchase transaction, payment, or extension of credit must also be attached.

NEW SECTION. **Sec. 6.** CONSUMER NOTICE. (1) A default judgment may be entered in an action to which this chapter applies only if the complaint or amended complaint served on the consumer includes, or is accompanied by, a notice warning that a default judgment may be awarded against the consumer in no less than 10 point type.

(2) The notice must be substantially similar to the form in subsection (3) of this section that states:

(a) If the consumer does not file an answer to the complaint or amended complaint, a default judgment may be entered against the consumer;

(b) If a judgment is entered against the consumer, the amount of the judgment, plus interest on the judgment as provided by other laws of this state, could remain in effect for up to 20 years, even if the judgment is not credit reported or no longer remains on the consumer's credit report;

(c) After entry of a judgment, the plaintiff may, but will not necessarily, take steps to sell real estate owned by the consumer, sell personal property owned by the consumer, attach the consumer's bank accounts, or garnish the consumer's wages;

(d) Entry of a judgment may in some circumstances impair access to employment, insurance, credit, or housing;

(e) An attorney may provide assistance in understanding the complaint or amended complaint and advice about what action to take in response to the complaint or amended complaint; and

(f) Contact information for a legal aid or attorney referral service that may be able to help the consumer find an attorney, and if the consumer cannot afford an attorney, may be able to provide free or reduced-cost legal services.

(3) The following notice meets the requirements of this section:

Consumer Notice

This notice is required to be given to you by law and its content is prescribed by law; this notice and its content are not statements, representations, or threats by, nor advice from, the plaintiff or the plaintiff's attorney.

1. Why Am I Getting This Notice?	The plaintiff named in the complaint has filed a lawsuit against you to collect money that the plaintiff says you owe.
2. What Will Happen If I Do Nothing?	A judgment may be entered against you if you do not file a response to the lawsuit.

3. What Happens If A Judgment Is Entered Against Me?	Your personal property may be taken and sold. Money may be taken directly from your bank account or wages. A lien may be put on your house or other real estate and the house or real estate may be sold. These are things that could happen, although they won't necessarily happen. If the judgment is not paid in full, the amount due may grow because of interest charges. You could owe the amount of any unpaid judgment for up to 20 years, even if it is not credit reported or it no longer appears on your credit report. The judgment may make it harder for you to get a job or insurance and more expensive for you to get a loan or credit card, rent an apartment, or buy a house or car.
4. Is Help Available?	If you talk with a lawyer, the lawyer can explain the situation and help you decide what to do. If you cannot afford a lawyer, you may be able to obtain one for free or reduced cost. You may call 211 for a referral to legal counsel.

NEW SECTION. **Sec. 7.** FAILURE TO COMPLY. (1) If a plaintiff in an action to which this chapter applies fails to comply with any requirement of this chapter, the court may deny the plaintiff's motion for default or default judgment and may on motion of a party or on the court's own motion issue a notice that the court will dismiss the case without prejudice unless, within 30 days following the sending to the plaintiff of such notice of intent to dismiss, the plaintiff submits for filing an amended complaint that complies with this chapter.

(2) The commission or facilitation of an act or practice in violation of this chapter by a person who holds purchased debt or any affiliate while attempting to collect purchased debt are declared to be unfair acts or practices or unfair methods of competition in the conduct of trade or commerce for the purpose of the application of the consumer protection act found in chapter 19.86 RCW. In addition, violations of this chapter while attempting to collect purchased debt shall subject the person who holds purchased debt or any affiliate to the penalty in RCW 19.16.450.

NEW SECTION. **Sec. 8.** WAIVER VOID. A waiver by a consumer of a requirement of this chapter is void. This section does not prevent a voluntary settlement agreement or judgment between the parties that does not result in a default judgment.

NEW SECTION. **Sec. 9.** RELATION TO OTHER LAWS. This chapter supplements rights and remedies available to a consumer under other laws of this state.

NEW SECTION. **Sec. 10.** UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and construing this uniform act, a court shall consider the promotion of uniformity of the law among jurisdictions that enact it.

NEW SECTION. **Sec. 11.** RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This chapter modifies, limits, or supersedes the electronic signatures in global and national commerce act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or supersede 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of any of the notices described in 15 U.S.C. Sec. 7003(b).

NEW SECTION. **Sec. 12.** TRANSITIONAL PROVISION. This chapter applies to an action commenced on or after the effective date of this section.

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

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

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

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

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

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

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

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

~~(i) The original account number at charge-off;~~

~~(ii) The original creditor at charge-off;~~

~~(iii) The amount due at charge-off or, if the balance has not been charged off, an itemization of the amount claimed to be owed, including the principal, interest, fees, and other charges or reductions from payment made or other credits;~~

~~(iv) An itemization of post charge-off additions, if any;~~

~~(v) The date of the last payment, if applicable, or the date of the last transaction;~~

~~(vi) If the account is not a revolving credit account, the date the debt was incurred; and~~

~~(vii) A copy of the assignment or other writing establishing that the debt buyer is the owner of the debt. If the debt was assigned more than once, each assignment or other writing evidencing transfer of ownership must be attached to establish an unbroken chain of~~

~~ownership, beginning with the original creditor to the first debt buyer and each subsequent sale.~~

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

~~(i) That the action is being brought by, or for the benefit of, a person or entity that is engaged in the business of purchasing delinquent or charged off claims for collection purposes;~~

~~(ii) The date the claim or obligation was purchased;~~

~~(iii) The identity of the person or entity from whom or which the claim or obligation was purchased;~~

~~(iv) That the plaintiff may have purchased this claim or obligation for less than the value stated in the complaint;~~

~~(v) If the claim or obligation was at any time sold without any representation or warranty of accuracy, a statement to that effect; and~~

~~(vi) That the action is being commenced within, and is not barred by, an applicable statute of limitations.~~))

NEW SECTION. **Sec. 14.** SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 15.** EFFECTIVE DATE. This act takes effect January 1, 2027.

NEW SECTION. **Sec. 16.** Sections 1 through 12 of this act constitute a new chapter in Title 4 RCW.

Passed by the Senate February 5, 2026.
Passed by the House March 4, 2026.
Approved by the Governor March 18, 2026.
Filed in Office of Secretary of State March 19, 2026.

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