

---

**SUBSTITUTE SENATE BILL 5720**

---

**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.

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

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

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

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

17 NEW SECTION. **Sec. 3.** DEFINITIONS. In this chapter:  
18 (1) "Affiliate" has the same meaning as provided in RCW  
19 48.31B.005.

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

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

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

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

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

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

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

22           (a) Date of charge off;

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

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

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

27           (e) Date of last payment;

28           (f) Date of transaction;

29           (g) Date of any arbitration award; or

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

33           (9) "Medical debt" has the same meaning as provided in RCW  
34 19.16.100.

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

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

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

3 (13) "Record" means information:

4 (a) Inscribed on a tangible medium; or

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

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

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

11 (a) Execute or adopt a tangible symbol; or

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

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

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

19 (a) An unsecured consumer debt;

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

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

24 (2) This chapter does not apply to:

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

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

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

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

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

3 (3) The complaint or amended complaint must state:

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

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

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

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

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

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

18 (g) The amount of the outstanding balance;

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

22 (i) Total finance charges;

23 (ii) Total fees or costs; and

24 (iii) Total credits and payments;

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

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

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

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

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

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

38 (ii) The date the debt was purchased;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 **Consumer Notice**

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

28 <b>1. Why Am I Getting This Notice?</b>	The plaintiff named in the complaint has filed a lawsuit 29 against you to collect money that the plaintiff says you owe.
30 <b>2. What Will Happen If I Do Nothing?</b>	A judgment may be entered against you if you do not file a 31 response to the lawsuit.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18

<p><b>3. What Happens If A Judgment Is Entered Against Me?</b></p>	<p>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.</p> <p>If the judgment is not paid in full, the amount due may grow because of interest charges.</p> <p>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.</p> <p>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.</p>
<p><b>4. Is Help Available?</b></p>	<p>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.</p>

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

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

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

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

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

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

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

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

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

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

1           ~~((2) No debt buyer may:~~  
2           ~~(a) Bring any legal action against a debtor without attaching to~~  
3 ~~the complaint a copy of the contract or other writing evidencing the~~  
4 ~~original debt that contains the signature of the debtor, or:~~  
5           ~~(i) If a claim is based on a credit card debt for which a signed~~  
6 ~~writing evidencing the original debt does not exist, a copy of the~~  
7 ~~most recent monthly statement recording a purchase transaction,~~  
8 ~~payment, or other extension of credit and, if the claim is based on a~~  
9 ~~breach of contract, a copy of the terms and conditions in place at~~  
10 ~~the time of the most recent monthly statement recording a purchase~~  
11 ~~transaction, payment, or extension of credit must also be attached;~~  
12 ~~or~~  
13           ~~(ii) If a claim is based on an electronic transaction for which a~~  
14 ~~signed writing evidencing the original debt never existed, a copy of~~  
15 ~~the records created during the transaction evidencing the debtor's~~  
16 ~~agreement to the debt and recording the date and terms of the~~  
17 ~~transaction and information provided by the debtor during the~~  
18 ~~transaction.~~  
19           ~~(b) Request a default judgment against a debtor in any legal~~  
20 ~~action without providing to the court evidence that satisfies the~~  
21 ~~requirements of rule 803(a)(6) of the rules of evidence and RCW~~  
22 ~~5.45.020 or is otherwise authorized by law or rule that establishes~~  
23 ~~the amount and nature of the debt, including the documents required~~  
24 ~~by (a) of this subsection, and:~~  
25           ~~(i) The original account number at charge-off;~~  
26           ~~(ii) The original creditor at charge-off;~~  
27           ~~(iii) The amount due at charge-off or, if the balance has not~~  
28 ~~been charged off, an itemization of the amount claimed to be owed,~~  
29 ~~including the principal, interest, fees, and other charges or~~  
30 ~~reductions from payment made or other credits;~~  
31           ~~(iv) An itemization of post charge-off additions, if any;~~  
32           ~~(v) The date of the last payment, if applicable, or the date of~~  
33 ~~the last transaction;~~  
34           ~~(vi) If the account is not a revolving credit account, the date~~  
35 ~~the debt was incurred; and~~  
36           ~~(vii) A copy of the assignment or other writing establishing that~~  
37 ~~the debt buyer is the owner of the debt. If the debt was assigned~~  
38 ~~more than once, each assignment or other writing evidencing transfer~~  
39 ~~of ownership must be attached to establish an unbroken chain of~~

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

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

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

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

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

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

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

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

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

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

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

--- END ---