

FIRST REGULAR SESSION

# HOUSE BILL NO. 329

## 94TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CUNNINGHAM (145).

Read 1st time January 11, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1135L.01I

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### AN ACT

To repeal sections 425.010 and 425.020, RSMo, and to enact in lieu thereof three new sections relating to debt adjusters, with a penalty provision.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 425.010 and 425.020, RSMo, are repealed and three new sections  
2 enacted in lieu thereof, to be known as sections 425.010, 425.020, and 425.025, to read as  
3 follows:

425.010. As used in this chapter, the following terms mean:

2 (1) "Debt adjuster", a person who acts or offers to act for a consideration as an  
3 intermediary between a debtor and his creditors for the purpose of settling, compounding, or in  
4 any wise altering the terms of payment of any debts of the debtor; and to that end receives money  
5 or other property from the debtor, or on behalf of the debtor, for payment to, or distribution  
6 among, the creditors of the debtor;

7 (2) **"Debt management plan" or "DMP", a written agreement or contract between**  
8 **a debt adjuster and a debtor whereby the debt adjuster agrees to provide its services as**  
9 **such to the debtor in return for payment by the debtor of no more than reasonable**  
10 **consideration;**

11 (3) "Debtor", an individual or individuals jointly and severally or jointly or severally  
12 indebted;

13 (4) **"Reasonable consideration", a fee or contribution to cover the cost of**  
14 **administering a debt management plan, not to exceed:**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 15           (a) Fifty dollars for an initial or set-up fee or charge for establishing a DMP; and  
16           (b) The greater of thirty-five dollars per month or eight percent of the amount  
17 distributed monthly to creditors under such DMP.

          425.020. Any person who acts or offers to act as a debt adjuster in this state **other than**  
2 **under a debt management plan** is guilty of a misdemeanor and upon conviction shall be  
3 punished as provided by law.

**425.025. A debt adjuster shall waive the consideration established under**  
2 **subdivision (4) of section 425.010 if a debtor is not able to pay such fee.**

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