

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 329

94TH GENERAL ASSEMBLY

1135S.04T

2007

AN ACT

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

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Section A. Sections 425.010 and 425.020, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 425.010, 425.020, 425.025, and 425.027, to read as follows:

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

(1) "Debt adjuster", a person who acts or offers to act for a consideration as an intermediary between a debtor and his creditors for the purpose of settling, compounding, or in any wise altering the terms of payment of any debts of the debtor; and to that end **the person** receives money or other property from the debtor, or on behalf of the debtor, for payment to **the debtor's credit by the person**, or distribution among, the creditors [of the debtor] **by the person. This definition shall only apply to a person who collects funds from a debtor and delivers such funds to the debtor's creditors;**

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

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

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

17 (a) **Fifty dollars for an initial or set-up fee or charge for establishing a DMP; and**

18 (b) **The greater of thirty-five dollars per month or eight percent of the amount**
19 **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. Nothing in this chapter shall be construed to prevent any individual or
2 **organization from administering a debt management plan free of charge.**

425.027. A debt adjuster shall provide a blanket bond in the amount of one
2 **hundred thousand dollars in favor of the state of Missouri and a copy of the bond shall be**
3 **filed with the director of the division of finance. The bond shall be for the benefit of any**
4 **debtor who is damaged by the debt adjuster's breach of the debt management plan or the**
5 **debt adjuster's failure to properly administer debtor funds collected or disbursed under**
6 **the debt management plan. The director of the division of finance may investigate any**
7 **debtor complaint and make claim on a bond for the benefit of a debtor or release the bond**
8 **to a debtor to make a claim.**

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