

HB 2114 -- DEBT COLLECTORS

SPONSOR: Cierpiot

This bill changes the laws regarding debt collectors. In its main provisions, the bill:

(1) Defines "debt collector" as any person, proprietorship, partnership, business organization, or entity of any kind that collects the debts of another, including collection agencies, but not including an attorney licensed to practice law in Missouri or admitted in Missouri pro hac vice;

(2) Defines the term "conduct business in Missouri" to mean taking any steps to collect a judgment debt registered in Missouri from a Missouri court, from a Missouri resident, or if the collection activities target a judgment debtor's funds, wages, or assets located in Missouri regardless of whether the debt collector is physically present in the state. "Conduct business in Missouri" shall include, but not be limited to, taking assignments of judgment or otherwise contracting to collect a debt of another, promoting or advertising oneself as a debt collector in Missouri or a collector of Missouri judgments, making requests of payment to judgment debtors, filing any court process, or taking any step to collect a judgment such as a request for a writ of execution, a garnishment, sequestration, levy, attachment, or similar order;

(3) Prohibits a debt collector from conducting business in Missouri unless he or she first posts a bond or other form of security with the Department of Insurance, Financial Institutions and Professional Registration of at least \$100,000 against claims brought against the debt collector by any party with standing, including the Attorney General. A bond is not a replacement for liability against violations of applicable law;

(4) Allows a judgment creditor to only be entitled to collection of post judgment interest under Section 408.040, RSMo, if he or she is the original plaintiff and an individual person or if he or she is represented in the collection of the judgment by an attorney licensed to practice law in Missouri;

(5) Prohibits debt collectors from having direct contact with prospective clients as defined in Supreme Court Rule 4.7-3; and

(6) Makes debt collectors subject to the provisions of Chapter 407.