

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 329
94TH GENERAL ASSEMBLY

Reported from the Committee on Financial and Governmental Organizations and Elections, May 3, 2007, with recommendation that the Senate Committee Substitute do pass.

1135S.04C

TERRY L. SPIELER, Secretary.

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Section A. Sections 425.010 and 425.020, RSMo, are repealed and four
2 new sections enacted in lieu thereof, to be known as sections 425.010, 425.020,
3 425.025, and 425.027, to read as 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
3 as an intermediary between a debtor and his creditors for the purpose of settling,
4 compounding, or in any wise altering the terms of payment of any debts of the
5 debtor; and to that end **the person** receives money or other property from the
6 debtor, or on behalf of the debtor, for payment to **the debtor's credit by the**
7 **person**, or distribution among, the creditors [of the debtor] **by the**
8 **person. This definition shall only apply to a person who collects funds**
9 **from a debtor and delivers such funds to the debtor's creditors;**

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

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

16 (4) "Reasonable consideration", a fee or contribution to cover the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 **cost of administering a debt management plan, not to exceed:**

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

20 **(b) The greater of thirty-five dollars per month or eight percent**
21 **of the amount distributed monthly to creditors under such DMP.**

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

425.025. Nothing in this chapter shall be construed to prevent
2 any individual or organization from administering a debt management
3 plan free of charge.

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

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