



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 11/28/2006 (Per: MDK)




Appendix A ... Part 03 of 05




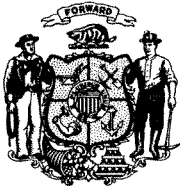
 The 2005 drafting file for LRB 05-5042

has been transferred to the drafting file for

2007 LRB 07-0917

 This cover sheet, the final request sheet, and the final version of the 2005 draft were copied on yellow paper, and returned to the original 2005 drafting file.

 The attached 2005 draft was incorporated into the new 2007 draft listed above. For research purposes, this cover sheet and the complete drafting file were transferred, as a separate appendix, to the 2007 drafting file. If introduced this section will be scanned and added, as a separate appendix, to the electronic drafting file folder.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-5042/P1

MDK:.....

lmk

NOTE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Bn Friday
7/14
pm

SenCat

1 AN ACT ...; **relating to:** adopting the Uniform Debt-Management Services Act,
2 granting rule-making authority, and providing a penalty

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be prepared for a subsequent version of the draft.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 21.72 (1) (a) 12. of the statutes is amended to read:
4 21.72 (1) (a) 12. A license or certificate of registration issued by the department
5 of financial institutions, or a division of it, under ss. 138.09, 138.12, 217.06, 218.0101
6 to 218.0163, 218.02, 218.04, 218.05, 224.72, or 224.93, subch. V of ch. 422, or subch.
7 III of ch. 551.

History: 2001 a. 22; 2003 a. 69; 2005 a. 25.

****NOTE: I assume that you want to treat debt-management service providers under the bill the same as adjustment service companies under current law. If not, the above must be revised.

1 **SECTION 2.** 49.857 (1) (d) 12. of the statutes is amended to read:

2 49.857 (1) (d) 12. A license or certificate of registration issued under ss. 138.09,
3 138.12, 217.06, 218.0101 to 218.0163, ~~218.02~~, 218.04, 218.05, 224.72, 224.93, subch.
4 V of ch. 422, or subch. III of ch. 551.

History: 1997 a. 191; 1999 a. 9, 31, 32, 186; 2001 a. 56, 61; 2005 a. 25.

****NOTE: I assume that you want to treat debt-management service providers under the bill the same as adjustment service companies under current law. If not, the above must be revised. ✓

5 **SECTION 3.** 73.0301 (1) (d) 6. of the statutes is amended to read:

6 73.0301 (1) (d) 6. A license or certificate of registration issued by the
7 department of financial institutions, or a division of it, under ss. 138.09, 138.12,
8 217.06, 218.0101 to 218.0163, ~~218.02~~, 218.04, 218.05, 224.72, 224.93 or under subch.
9 V of ch. 422 or subch. III of ch. 551.

History: 1997 a. 237 ss. 301, 307, 532; 1999 a. 9, 31, 32, 186; 2001 a. 56; 2005 a. 25.

****NOTE: I assume that you want to treat debt-management service providers under the bill the same as adjustment service companies under current law. If not, the above must be revised. ✓

10 **SECTION 4.** Subchapter II of chapter 218 of the statutes is repealed. [precedes 218.02]

****NOTE: The above subchapter consists of s. 218.02, which deals with adjustment service companies.

11 **SECTION 5.** 220.285 (1) of the statutes, as affected by 2005 Wisconsin Act 215,
12 is amended to read:

13 220.285 (1) Any state bank, trust company bank, licensee under ss. 138.09,
14 138.12, 218.0101 to 218.0163, ~~218.02~~, 218.04 or 218.05 or ch. 217, or person
15 registered under s. 224.72 or subch. V of ch. 422 may cause any or all records kept
16 by such bank, licensee, or registered person to be recorded, copied or reproduced by
17 any photostatic, photographic or miniature photographic process or by optical
18 imaging if the process employed correctly, accurately and permanently copies,
19 reproduces or forms a medium for copying, reproducing or recording the original
20 record on a film or other durable material. A bank, licensee, or registered person may

1 thereafter dispose of the original record after first obtaining the written consent of
2 the division. This section, excepting that part of it which requires written consent
3 of the division, is applicable to national banking associations insofar as it does not
4 contravene federal law.

History: 1971 c. 239; 1973 c. 3; 1991 a. 39, 221; 1995 a. 27; 1997 a. 152; 1999 a. 31; 2005 a. 215.

****NOTE: I assume that you want to treat debt-management service providers under the bill the same as adjustment service companies under current law. If not, the above must be revised.

[precedes 422.501]

5 **SECTION 6.** Subchapter V of chapter 422 of the statutes is repealed and
6 recreated to read:

7 **CHAPTER 422**

8 **SUBCHAPTER V**

9 **UNIFORM DEBT-MANAGEMENT SERVICES ACT**

10 **422.501 Short title.** This subchapter may be cited as the "Uniform
11 Debt-Management Services Act". ✓

12 **422.502 Definitions.** In this subchapter:

****NOTE: The uniform act includes a definition of "administrator". However, that term is already defined under current law to refer to the secretary of DFI. See s. 421.301 (2). ★

13 (1) (a) "Affiliate" with respect to an individual, means any of the following:

****NOTE: I added "with respect to an individual, means any of the following" to the above. ✓

- 14 1. The spouse of the individual. ✓
- 15 2. A sibling of the individual or the spouse of a sibling. ✓
- 16 3. An individual or the spouse of an individual who is a lineal ancestor or lineal
17 descendant of the individual or the individual's spouse. ✓
- 18 4. An aunt, uncle, great aunt, great uncle, first cousin, niece, nephew,
19 grandniece, or grandnephew, whether related by the whole or the half blood or
20 adoption, or the spouse of any of them. ✓

1 5. Any other individual occupying the residence of the individual.

2 (2) (b) "Affiliate", with respect to an entity, means any of the following:

***NOTE: I added "with respect to an entity, means any of the following" to the above.

3 1. A person that directly or indirectly controls, is controlled by, or is under
4 common control with the entity. ✓

5 2. An officer of, or an individual performing similar functions

6 with respect to, the entity. ✓
LPS: Pls remove the test text

7 3. A director of, or an individual performing similar functions with respect to,
8 the entity. ✓

9 4. Subject to adjustment of the dollar amount pursuant to s. 422.532 (6), a
10 person that receives or received more than \$25,000 from the entity in either the
11 current year or the preceding year or a person that owns more than 10 percent of, or
12 an individual who is employed by or is a director of, a person that receives or received
13 more than \$25,000 from the entity in either the current year or the preceding year. ✓

14 5. An officer or director of, or an individual performing similar functions with
15 respect to, a person described in subd. 1. ✓

16 6. The spouse of, or an individual occupying the residence of, an individual
17 described in subds. 1 through 5. ✓

18 7. An individual who has the relationship specified in par. (a) 4. to an individual
19 or the spouse of an individual described in subds. 1 through 5. ✓

20 (2) "Agreement" means an agreement between a provider and an individual for
21 the performance of debt-management services. ✓

22 (3) "Bank" means a financial institution, including a commercial bank, savings
23 bank, savings and loan association, credit union, and trust company, engaged in the

1 business of banking, chartered under federal or state law, and regulated by a federal
2 or state banking regulatory authority. ✓

3 (4) "Business address" means the physical location of a business, including the
4 name and number of a street. ✓

5 (5) "Certified counselor" means an individual certified by a training program
6 or certifying organization, approved by the administrator, that authenticates the
7 competence of individuals providing education and assistance to other individuals
8 in connection with debt-management services. ✓

9 (6) "Concessions" means assent to repayment of a debt on terms more favorable
10 to an individual than the terms of the contract between the individual and a creditor. ✓

11 (7) "Day" means calendar day. ✓

12 (8) "Debt-management services" means services as an intermediary between
13 an individual and one or more creditors of the individual for the purpose of obtaining
14 concessions, but does not include any of the following: ✓

***NOTE: I added "any of the following" to the above.

15 (a) Legal services provided in an attorney-client relationship by an attorney
16 licensed or otherwise authorized to practice law in this state. ✓

17 (b) Accounting services provided in an accountant-client relationship by a
18 certified public accountant licensed to provide accounting services in this state. ✓

19 (c) Financial-planning services provided in a financial planner-client
20 relationship by a member of a financial-planning profession whose members the
21 administrator, by rule, determines are all of the following: ✓

***NOTE: I added "all of the following" to the above.

22 1. Licensed by this state. ✓

23 2. Subject to a disciplinary mechanism. ✓

1 3. Subject to a code of professional responsibility. ✓

2 4. Subject to a continuing-education requirement. ✓

3 (9) "Entity" means a person other than an individual. ✓

4 (10) "Good faith" means honesty in fact and the observance of reasonable
5 standards of fair dealing. ✓

6 (11) "Person" means an individual, corporation, business trust, estate, trust,
7 partnership, limited liability company, association, joint venture, or any other legal
8 or commercial entity. ✓ The term does not include a public corporation, government,
9 or governmental subdivision, agency, or instrumentality. ✓

10 (12) "Plan" means a program or strategy in which a provider furnishes debt
11 management services to an individual and which includes a schedule of payments
12 to be made by or on behalf of the individual and used to pay debts owed by the
13 individual. ✓

14 (13) "Principal amount of the debt" means the amount of a debt at the time of
15 an agreement. ✓

16 (14) "Provider" means a person that provides, offers to provide, or agrees to
17 provide debt-management services directly or through others. ✓

18 (15) "Record" means information that is inscribed on a tangible medium or that
19 is stored in an electronic or other medium and is retrievable in perceivable form.

20 (16) "Settlement fee" means a charge imposed on or paid by an individual in
21 connection with a creditor's assent to accept in full satisfaction of a debt an amount
22 less than the principal amount of the debt. ✓

23 (17) "Sign" means, with present intent to authenticate or adopt a record, any
24 of the following: ✓

***NOTE: I added "any of the following" to the above.

- 1 (a) To execute or adopt a tangible symbol. ✓
- 2 (b) To attach to or logically associate with the record an electronic sound,
- 3 symbol, or process. ✓

4 (18) "State" means a state of the United States, the District of Columbia,
5 Puerto Rico, the United States Virgin Islands, or any territory or insular possession
6 subject to the jurisdiction of the United States. ✓

7 (19) "Trust account" means an account held by a provider that is all of the
8 following:

****NOTE: I added "all of the following" to the above. ✓

- 9 (a) Established in an insured bank. ✓
- 10 (b) Separate from other accounts of the provider or its designee. ✓
- 11 (c) Designated as a trust account or other account designated to indicate that
- 12 the money in the account is not the money of the provider or its designee. ✓
- 13 (d) Used to hold money of one or more individuals for disbursement to creditors
- 14 of the individuals. ✓

15 **422.503 Exempt agreements and persons.** (1) This subchapter does not
16 apply to an agreement with an individual who the provider has no reason to know
17 resides in this state at the time of the agreement. ✓

18 (2) This subchapter does not apply to a provider to the extent that the provider
19 does any of the following: ✓

****NOTE: I added "does any of the following" to the above.

- 20 (a) Provides or agrees to provide debt-management, educational, or counseling
- 21 services to an individual who the provider has no reason to know resides in this state
- 22 at the time the provider agrees to provide the services. ✓

1 (b) Receives no compensation for debt-management services from or on behalf
2 of the individuals to whom it provides the services or from their creditors. ✓

3 (3) This subchapter does not apply to any of the following persons or their
4 employees when the person or the employee is engaged in the regular course of the
5 person's business or profession: ✓

****NOTE: I added "any of the" before "following" in the above. ✓

6 (a) A judicial officer, a person acting under an order of a court or an
7 administrative agency, or an assignee for the benefit of creditors. ✓

8 (b) A bank. ✓

9 (c) An affiliate, as defined in s. 422.502 (1) (b) 1., of a bank if the affiliate is
10 regulated by a federal or state banking regulatory authority. ✓

11 (d) A title insurer, escrow company, or other person that provides bill-paying
12 services if the provision of debt-management services is incidental to the bill-paying
13 services. ✓

14 **422.504 Registration required.** (1) Except as otherwise provided in sub. (2), ✓
15 a provider may not provide debt-management services to an individual who it
16 reasonably should know resides in this state at the time it agrees to provide the
17 services, unless the provider is registered under this subchapter. ✓

****NOTE: As explained in the drafter's note, I drafted the bill to allow both
nonprofit and for-profit entities to provide all types of services. If you want to allow only
nonprofit entities to provide services, or if you want to limit the types of services that
for-profit entities may provide, then a fourth subsection must be added to this section,
based on s. 4 (d) of the uniform act. ✓

* Section

18 (2) If a provider is registered under this subchapter, sub. (1) does not apply to
19 an employee or agent of the provider. ✓

20 (3) The administrator shall maintain and publicize a list of the names of all
21 registered providers. ✓

1 **422.505 Application for registration: form, fee, and accompanying**
2 **documents.** ✓ (1) An application for registration as a provider must be in a form
3 prescribed by the administrator. ✓

4 (2) Subject to adjustment of dollar amounts pursuant to s. 422.532 (6), an
5 application for registration as a provider must be accompanied by all of the following: ✓

 ***NOTE: I added "all of the following" to the above. ✓

6 (a) The fee established by the administrator. ✓

7 (b) The bond required by s. 422.513. ✓

8 (c) Identification of all trust accounts required by s. 422.522 and an irrevocable
9 consent authorizing the administrator to review and examine the trust accounts. ✓

10 (d) Evidence of insurance in the amount of \$250,000 that satisfies all of the
11 following: ✓

 ***NOTE: I added "that satisfies all of the following" to the above. ✓

12 1. The insurance is against the risks of dishonesty, fraud, theft, and other
13 misconduct on the part of the applicant or a director, employee, or agent of the
14 applicant. ✓

15 2. The insurance is issued by an insurance company authorized to do business
16 in this state and rated at least A by a nationally recognized rating organization.

17 3. The insurance has no deductible. ✓

18 4. The insurance is payable to the applicant, the individuals who have
19 agreements with the applicant, and this state, as their interests may appear. ✓

20 5. The insurance is not subject to cancellation by the applicant without the
21 approval of the administrator. ✓

 ***NOTE: added references to "the insurance" at the beginning of subs. 1. to 5.
above.

1 (e) If applicable, proof of compliance with s. 178.45, 180.1501, 181.1501, or
2 183.1002. ✓

***NOTE: The statutes cited above refer to certificates that are required for
out-of-state business entities to conduct business in this state. ✓

3 (f) If the applicant is organized as a not-for-profit entity or is exempt from
4 taxation, evidence of not-for-profit and tax-exempt status applicable to the
5 applicant under the Internal Revenue Code, 26 USC 501. ✓

***NOTE: If you want to allow only nonprofit entities to provide debt-management
services, then the "if" clause at the beginning of par. (f) should be removed. ✓

***NOTE: The uniform act includes an optional "as amended" after the cite to
federal law. Under our drafting style, this phrase is not needed. Section 9.03 (3) of our
drafting manual states: "The general rule for drafting is ... that a citation to a USC or
CFR section that does not refer to a particular date refers to the provisions in effect
whenever the statute is read rather than those in effect on the date that the statute
became effective. Therefore, if a statutory reference to federal law does not specify a date,
the intent is to incorporate future amendments." Therefore, throughout this draft, I have
omitted "as amended" from the references to federal law. ✓

6 **422.506 Application for registration: required information.** An
7 application for registration must be signed and verified under oath or affirmation
8 and include all of the following: ✓

* ***NOTE: The uniform act has optional language for signing under "oath" or
"penalty of false statement". The Wisconsin statutes do not appear to have a consistent
* way to deal with this issue. Throughout the draft, I chose to refer to "verifying" under
"oath or affirmation". Is that okay?

***NOTE: I added "all of the following" to the above. ✓

9 (1) The applicant's name, principal business address and telephone number,
10 and all other business addresses in this state, electronic-mail addresses, and
11 Internet website addresses. ✓

12 (2) All names under which the applicant conducts business. ✓

13 (3) The address of each location in this state at which the applicant will provide
14 debt-management services or a statement that the applicant will have no such
15 location. ✓

1 (4) The name and home address of each officer and director of the applicant and
2 each person that owns at least 10 percent of the applicant. ✓

3 (5) Identification of every jurisdiction in which, during the ^{or 5} five years
4 immediately preceding the application the applicant or any of its officers or directors
5 has been licensed or registered to provide debt-management services, or in which
6 individuals have resided when they received debt-management services from the
7 applicant. ✓

****NOTE: The uniform act's version of the above consists of an introduction and 2
paragraphs. ✓

8 (6) A statement describing, to the extent it is known or should be known by the
9 applicant, any material civil or criminal judgment or litigation and any material
10 administrative or enforcement action by a governmental agency in any jurisdiction
11 against the applicant, any of its officers, directors, owners, or agents, or any person
12 who is authorized to have access to the trust account required by s. 422.522. ✓

13 (7) The applicant's financial statements, audited by an accountant licensed to
14 conduct audits, for each of the ^{or 2} two years immediately preceding the application or,
15 if it has not been in operation for the ^{or 2} two years preceding the application, for the
16 period of its existence.

17 (8) Evidence of accreditation by an independent accrediting organization
18 approved by the administrator. ✓

19 (9) Evidence that, within 12 months after initial employment, each of the
20 applicant's counselors becomes certified as a certified counselor. ✓

21 (10) A description of the ^{or 3} three most commonly used educational programs that
22 the applicant provides or intends to provide to individuals who reside in this state
23 and a copy of any materials used or to be used in those programs. ✓

1 (11) A description of the applicant's financial analysis and initial budget plan,
2 including any form or electronic model, used to evaluate the financial condition of
3 individuals. ✓

4 (12) A copy of each form of agreement that the applicant will use with
5 individuals who reside in this state. ✓

6 (13) The schedule of fees and charges that the applicant will use with
7 individuals who reside in this state. ✓

8 (14) At the applicant's expense, the results of a criminal-records check,
9 including fingerprints, conducted within the immediately preceding 12 months,
10 covering every officer of the applicant and every employee or agent of the applicant
11 who is authorized to have access to the trust account required by s. 422.522. ✓

12 (15) The names and addresses of all employers of each director during the 10
13 years immediately preceding the application. ✓

14 (16) A description of any ownership interest of at least 10 percent by a director,
15 owner, or employee of the applicant in all of the following: ✓

***NOTE: I added "all of the following" to the above. ✓

16 (a) Any affiliate of the applicant. ✓

17 (b) Any entity that provides products or services to the applicant or any
18 individual relating to the applicant's debt-management services. ✓

19 (17) A statement of the amount of compensation of the applicant's five most
20 highly compensated employees for each of the three years immediately preceding the
21 application or, if it has not been in operation for the three years preceding the
22 application, for the period of its existence. ✓

23 (18) The identity of each director who is an affiliate, as defined in s. 422.502

24 (1) (a) or (b) 1., 2., 4., 5., or 6., of the applicant. ✓

1 (19) Any other information that the administrator reasonably requires to
2 perform the administrator's duties under s. 422.509. ✓

3 **422.507 Application for registration: obligation to update information.**

4 An applicant or registered provider shall notify the administrator within 10 days
5 after a change in the information specified in s. 422.505 (2) (d) or (f) or 422.506 (1),
6 (3), (6), (12), or (13).

7 **422.508 Application for registration: public information.** Except for the
8 information required by s. 422.506 (7), (14), and (17) and the addresses required by
9 s. 422.506 (4), the administrator shall make the information in an application for
10 registration as a provider available to the public. ✓

11 **422.509 Certificate of registration: issuance or denial.** (1) Except as
12 otherwise provided in subs. (2) and (3), the administrator shall issue a certificate of
13 registration as a provider to a person that complies with ss. 422.505 and 422.506.

14 (2) The administrator may deny registration if any of the following apply: ✓

 ***NOTE: I added "any of the following apply" to the above. ✓

15 (a) The application contains information that is materially erroneous or
16 incomplete. ✓

17 (b) An officer, director, or owner of the applicant has been convicted of a crime,
18 or suffered a civil judgment, involving dishonesty or the violation of state or federal
19 securities laws. ✓

20 (c) The applicant or any of its officers, directors, or owners has defaulted in the
21 payment of money collected for others. ✓

22 (d) The administrator finds that the financial responsibility, experience,
23 character, or general fitness of the applicant or its owners, directors, employees, or

1 agents does not warrant belief that the business will be operated in compliance with
2 this subchapter. ✓

3 (3) The administrator shall deny registration if any of the following apply: ✓

****NOTE: I added "any of the following apply" to the above. ✓

4 (a) The application is not accompanied by the fee established by the
5 administrator. ✓

6 (b) With respect to an applicant that is organized as a not-for-profit entity or
7 has obtained tax-exempt status under the Internal Revenue Code, 26 USC 501, the
8 applicant's board of directors is not independent of the applicant's employees and
9 agents. ✓

****NOTE: If you want to limit certification to nonprofits, the phrase "with respect
to" should be eliminated. ✓

10 (4) Subject to adjustment of the dollar amount pursuant to s. 422.532 (6), a
11 board of directors is not independent for purposes of sub. (3) if any of the following
12 apply: ✓

****NOTE: I moved "more than one-fourth of its members" from the above
subsection to the below paragraphs. ✓

13 (a) More than one-fourth of its members are affiliates of the applicant, as
14 defined in s. 422.502 (1) (a) or (b) 1., 2., 4., 5., 6., or 7. ✓

15 (b) After the date 10 years before first becoming a director of the applicant,
16 more than one-fourth of its members were employed by or directors of a person that
17 received from the applicant more than \$25,000 in either the current year or the
18 preceding year. ✓

19 **422.510 Certificate of registration: timing.** (1) The administrator shall
20 approve or deny an initial registration as a provider within 120 days after an
21 application is filed. In connection with a request pursuant to s. 422.506 (19) for
22 additional information, the administrator may extend the 120-day period for not

***NOTE: Section 422.505 (2) (b) requires an applicant
to provide a bond. Should failure to provide the bond also be grounds
for registration denial? (CS)

1 more than 60 days. Within ⁶⁻⁷ seven days after denying an application, the
2 administrator, in a record, shall inform the applicant of the reasons for the denial. ✓

3 (2) If the administrator denies an application for registration as a provider or
4 does not act on an application within the time prescribed in sub. (1), the applicant
5 may appeal and request a hearing pursuant to subch. III of ch. 227. ✓

6 (3) Subject to ss. 422.511 (4) and 422.534, a registration as a provider is valid
7 for one year. ✓

8 **422.511 Renewal of registration.** (1) A provider must obtain a renewal of
9 its registration annually. ✓

10 (2) An application for renewal of registration as a provider must be in a form
11 prescribed by the administrator, signed and verified under oath or affirmation, and
12 must satisfy all of the following: ✓

***NOTE: I added "must satisfy all of the following" to the above. ✓

13 (a) Be filed no fewer than 30 and no more than 60 days before the registration
14 expires. ✓

15 (b) Be accompanied by the fee established by the administrator and the bond
16 required by s. 422.513. ✓

17 (c) Contain the matter required for initial registration as a provider by s.
18 422.506 (8) and (9) and a financial statement, audited by an accountant licensed to
19 conduct audits, for the applicant's fiscal year immediately preceding the application. ✓

20 (d) Disclose any changes in the information contained in the applicant's
21 application for registration or its immediately previous application for renewal, as
22 applicable. ✓

23 (e) Supply evidence of insurance in an amount equal to the larger of \$250,000
24 or the highest daily balance in the trust account required by s. 422.522 during the

① six month period immediately preceding the application and that satisfies all of the
2 following:

****NOTE: I added "and that satisfies all of the following" to the above. I also added
references to "the insurance" to the beginning of the following subdivision. ✓

3 1. The insurance is against risks of dishonesty, fraud, theft, and other
4 misconduct on the part of the applicant or a director, employee, or agent of the
5 applicant. ✓

6 2. The insurance is issued by an insurance company authorized to do business
⑦ in this state and rated at least A by a nationally recognized rating organization.

8 3. The insurance has no deductible. ✓

9 4. The insurance is payable to the applicant, the individuals who have
10 agreements with the applicant, and this state, as their interests may appear. ✓

11 5. The insurance is not subject to cancellation by the applicant without the
12 approval of the administrator. ✓

13 (f) Disclose the total amount of money received by the applicant pursuant to
14 plans during the preceding 12 months from or on behalf of individuals who reside in
15 this state and the total amount of money distributed to creditors of those individuals
16 during that period. ✓

17 (g) Disclose, to the best of the applicant's knowledge, the gross amount of money
18 accumulated during the preceding 12 months pursuant to plans by or on behalf of
19 individuals who reside in this state and with whom the applicant has agreements. ✓

20 (h) Provide any other information that the administrator reasonably requires
21 to perform the administrator's duties under this section. ✓

1 (3) Except for the information required by s. 422.506 (7), (14), and (17) and the
2 addresses required by s. 422.506 (4), the administrator shall make the information
3 in an application for renewal of registration as a provider available to the public.

4 (4) If a registered provider files a timely and complete application for renewal
5 of registration, the registration remains effective until the administrator, in a record,
6 notifies the applicant of a denial and states the reasons for the denial.

7 (5) If the administrator denies an application for renewal of registration as a
8 provider, the applicant, within 30 days after receiving notice of the denial, may
9 appeal and request a hearing pursuant to subch. III of ch. 227. Subject to s. 422.534,
10 while the appeal is pending the applicant shall continue to provide
11 debt-management services to individuals with whom it has agreements. If the
12 denial is affirmed, subject to the administrator's order and s. 422.534, the applicant
13 shall continue to provide debt-management services to individuals with whom it has
14 agreements until, with the approval of the administrator, it transfers the
15 agreements to another registered provider or returns to the individuals all
16 unexpended money that is under the applicant's control.

17 **422.512 Registration in another state.** If a provider holds a license or
18 certificate of registration in another state authorizing it to provide
19 debt-management services, the provider may submit a copy of that license or
20 certificate and the application for it instead of an application in the form prescribed
21 by s. 422.505 (1), 422.506, or 422.511 (2). The administrator shall accept the
22 application and the license or certificate from the other state as an application for
23 registration as a provider or for renewal of registration as a provider, as appropriate,
24 in this state if all of the following apply:

****NOTE: I added "all of the following apply" to the above.

1 (1) The application in the other state contains information substantially
2 similar to or more comprehensive than that required in an application submitted in
3 this state. ✓

4 (2) The applicant provides the information required by s. 422.506 (1), (3), (10),
5 (12), and (13). ✓ ✓ ✓

6 (3) The applicant, verified under oath or affirmation, certifies that the
7 information contained in the application is current or, to the extent it is not current,
8 supplements the application to make the information current. ✓

9 **422.513 Bond required.** (1) Except as otherwise provided in s. 422.514, a
10 provider that is required to be registered under this subchapter shall file a surety
11 bond with the administrator, which must satisfy all of the following: ✓

****NOTE: I added "satisfy all of the following" to the above. ✓

12 (a) Be in effect during the period of registration and for ~~two~~ ^{two} years after the
13 provider ceases providing debt-management services to individuals in this state. ✓

14 (b) Run to this state for the benefit of this state and of individuals who reside
15 in this state when they agree to receive debt-management services from the
16 provider, as their interests may appear. ✓

17 (2) Subject to adjustment of the dollar amount pursuant to s. 422.532 (6), a
18 surety bond filed pursuant to sub. (1) must satisfy all of the following: ✓

****NOTE: I added "satisfy all of the following" to the above. ✓

19 (a) Be in the amount of \$50,000 or other larger or smaller amount that the
20 administrator determines is warranted by the financial condition and business
21 experience of the provider, the history of the provider in performing
22 debt-management services, the risk to individuals, and any other factor the
23 administrator considers appropriate. ✓

1 (b) Be issued by a bonding, surety, or insurance company authorized to do
2 business in this state and rated at least A by a nationally recognized rating
3 organization. ✓

4 (c) Have payment conditioned upon noncompliance of the provider or its agent
5 with this subchapter. ✓

6 (3) If the principal amount of a surety bond is reduced by payment of a claim
7 or a judgment, the provider shall immediately notify the administrator and, within
8 30 days after notice by the administrator, file a new or additional surety bond in an
9 amount set by the administrator. ✓ The amount of the new or additional bond must
10 be at least the amount of the bond immediately before payment of the claim or
11 judgment. ✓ If for any reason a surety terminates a bond, the provider shall
12 immediately file a new surety bond in the amount of \$50,000 or other amount
13 determined pursuant to sub. (2). ✓

14 (4) The administrator or an individual may obtain satisfaction out of the surety
15 bond procured pursuant to this section if any of the following apply: ✓

****NOTE: I added "any of the following apply" to the above.

16 (a) The administrator assesses expenses under s. 422.532 (2) (a), issues a final
17 order under s. 422.533 (1) (b), or recovers a final judgment under s. 422.533 (1) (d)
18 or (e) or (4). ✓

19 (b) An individual recovers a final judgment pursuant to s. 422.535 (1), (2), or
20 (3) (a), (b), or (d). ✓

21 (5) If claims against a surety bond exceed or are reasonably expected to exceed
22 the amount of the bond, the administrator, on the initiative of the administrator or
23 on petition of the surety, shall, unless the proceeds are adequate to pay all costs,
24 judgments, and claims, distribute the proceeds in the following order: ✓

1 (a) To satisfaction of a final order or judgment under s. 422.533 (1) (b), (d), or
2 (e) or (4).

3 (b) To final judgments recovered by individuals pursuant to s. 422.535 (1), (2),
4 or (3) (a), (b), or (d), pro rata.

5 (c) To claims of individuals established to the satisfaction of the administrator,
6 pro rata.

7 (d) If a final order or judgment is issued under s. 422.533 (1), to the expenses
8 charged pursuant to s. 422.532 (1) (b). *tea*

9 **422.514 Bond required: substitute. (1)** Instead of the surety bond required
10 by s. 422.513, a provider may deliver to the administrator any of the following, in the
11 amount required by s. 422.513 (2), and, except as otherwise provided in par. (b) 1.,
12 payable or available to this state and to individuals who reside in this state when
13 they agree to receive debt-management services from the provider, as their interests
14 may appear, if the provider or its agent does not comply with this subchapter: ✓

★ *****NOTE:** I added "any of the following" after "may deliver to the administrator" ✓

15 (a) A certificate of insurance issued by an insurance company authorized to do
16 business in this state and rated at least *A* by a nationally recognized rating
17 organization, with no deductible.

18 (b) With the approval of the administrator, any of the following: ✓

*****NOTE:** I added "any of the following" to the above. ✓

19 1. An irrevocable letter of credit, issued or confirmed by a bank approved by the
20 administrator, payable upon presentation of a certificate by the administrator
21 stating that the provider or its agent has not complied with this subchapter. ✓

22 2. Bonds or other obligations of the United States or guaranteed by the United
23 States or bonds or other obligations of this state or a political subdivision of this state,

1 to be deposited and maintained with a bank approved by the administrator for this
2 purpose. ✓

3 (2) If a provider furnishes a substitute pursuant to sub. (1), the provisions of
4 s. 422.513 (1), (3), (4), and (5) apply to the substitute. ✓

5 **422.515 Requirement of good faith.** A provider shall act in good faith in all
6 matters under this subchapter. ✓

7 **422.516 Customer service.** A provider that is required to be registered under
8 this subchapter shall maintain a toll-free communication system, staffed at a level
9 that reasonably permits an individual to speak to a certified counselor or
10 customer-service representative, as appropriate, during ordinary business hours. ✓

11 **422.517 Prerequisites for providing debt-management services. (1)**
12 Before providing debt-management services, a registered provider shall give the
13 individual an itemized list of goods and services and the charges for each. ✓ The list
14 must be clear and conspicuous, be in a record the individual may keep whether or not
15 the individual assents to an agreement, and describe all of the following: ✓

****NOTE: I added "all of the following" to the above and added references to the
"goods and services" at the beginning of the following paragraphs. ✓

16 (a) The goods and services the provider offers free of additional charge if the
17 individual enters into an agreement. ✓

18 (b) The good and services the provider offers for a charge if the individual does
19 not enter into an agreement. ✓

20 (c) The good and services the provider offers for a charge if the individual enters
21 into an agreement, using the following terminology, as applicable, and format: ✓

22 Set-up fee: _____

23 *dollar amount of fee*

1 Monthly service fee: _____

2 *AA* dollar amount of fee or method of determining amount

3 Settlement fee: _____

4 *AA* dollar amount of fee or method of determining amount

5 Goods and services in addition to those provided in connection with a plan:

6 _____

7 (item) dollar amount or method of determining amount

8 _____

9 (item) dollar amount or method of determining amount

10 (2) A provider may not furnish debt-management services unless the provider,
11 through the services of a certified counselor, has satisfied all of the following: ✓

****NOTE: I added "has satisfied all of the following" to the above and added references to the "provider" at the beginning of the following paragraphs. ✓

12 (a) The provider provides the individual with reasonable education about the
13 management of personal finance. ✓

14 (b) The provider has prepared a financial analysis. ✓

15 (c) If the individual is to make regular, periodic payments, the provider has
16 satisfied all of the following: ✓

****NOTE: I added "has satisfied all of the following" to the above and added references to the "provider" at the beginning of the following subdivisions. ✓

17 1. The provider has prepared a plan for the individual. ✓

18 2. The provider has made a determination, based on the provider's analysis of
19 the information provided by the individual and otherwise available to it, that the
20 plan is suitable for the individual and the individual will be able to meet the payment
21 obligations under the plan. ✓

1 3. The provider believes that each creditor of the individual listed as a
2 participating creditor in the plan will accept payment of the individual's debts as
3 provided in the plan. ✓

4 **(3)** Before an individual assents to an agreement to engage in a plan, a provider
5 shall do all of the following: ✓

 ****NOTE: I added "do all of the following" to the above. ✓

6 (a) Provide the individual with a copy of the analysis and plan required by sub.
7 (2) in a record that identifies the provider and that the individual may keep whether
8 or not the individual assents to the agreement. ✓

9 (b) Inform the individual of the availability, at the individual's option, of
10 assistance by a toll-free communication system or in person to discuss the financial
11 analysis and plan required by sub. (2). ✓

12 (c) With respect to all creditors identified by the individual or otherwise known
13 by the provider to be creditors of the individual, provide the individual with a list of
14 all of the following: ✓

 ****NOTE: I added "of all of the following" to the above. ✓

15 1. Creditors that the provider expects to participate in the plan and grant
16 concessions. ✓

17 2. Creditors that the provider expects to participate in the plan but not grant
18 concessions. ✓

19 3. Creditors that the provider expects not to participate in the plan. ✓

20 4. All other creditors. ✓

21 **(4)** Before an individual assents to an agreement to engage in a plan, the
22 provider shall inform the individual, in a record that contains nothing else, that is

1 given separately, and that the individual may keep whether or not the individual
2 assents to the agreement, of all of the following: ✓

***NOTE: I added "of all of the following" to the above. ✓

3 (a) The name and business address of the provider. ✓

4 (b) That plans are not suitable for all individuals and the individual may ask
5 the provider about other ways, including bankruptcy, to deal with indebtedness. ✓

6 (c) That establishment of a plan may adversely affect the individual's credit
7 rating or credit scores. ✓

8 (d) That nonpayment of debt may lead creditors to increase finance and other
9 charges or undertake collection activity, including litigation. ✓

10 (e) Unless it is not true, that the provider may receive compensation from the
11 creditors of the individual. ✓

12 (f) That, unless the individual is insolvent, if a creditor settles for less than the
13 full amount of the debt, the plan may result in the creation of taxable income to the
14 individual, even though the individual does not receive any money. ✓

15 (5) If a provider may receive payments from an individual's creditors and the
16 plan contemplates that the individual's creditors will reduce finance charges or fees
17 for late payment, default, or delinquency, the provider may comply with sub. (4) by
18 providing the following disclosure, surrounded by black lines:

19 **IMPORTANT INFORMATION FOR YOU TO CONSIDER**

20 (1) Debt-management plans are not right for all individuals, and you may ask
21 us to provide information about other ways, including bankruptcy, to deal with your
22 debts. ✓

23 (2) Using a debt-management plan may hurt your credit rating or credit scores. ✓

24 (3) We may receive compensation for our services from your creditors. ✓

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Name and business address of provider

(6) If a provider will not receive payments from an individual's creditors and the plan contemplates that the individual's creditors will reduce finance charges or fees for late payment, default, or delinquency, a provider may comply with sub. (4) by providing the following disclosure, surrounded by black lines:

IMPORTANT INFORMATION FOR YOU TO CONSIDER

- (1) Debt-management plans are not right for all individuals, and you may ask us to provide information about other ways, including bankruptcy, to deal with your debts. ✓
- (2) Using a debt-management plan may hurt your credit rating or credit scores. ✓

Name and business address of provider

(7) If a plan contemplates that creditors will settle debts for less than the full principal amount of debt owed, a provider may comply with sub. (4) by providing the following disclosure, surrounded by black lines:

IMPORTANT INFORMATION FOR YOU TO CONSIDER

- (1) Our program is not right for all individuals, and you may ask us to provide information about bankruptcy and other ways to deal with your debts. ✓
- (2) Nonpayment of your debts under our program may:
 - hurt your credit rating or credit scores;
 - lead your creditors to increase finance and other charges; and
 - lead your creditors to undertake activity, including lawsuits, to collect the debts.

1 (3) Reduction of debt under our program may result in taxable income to you,
2 even though you will not actually receive any money. ✓

3

4 *Name and business address of provider*

5 **422.518 Communication by electronic or other means.** (1) In this
6 section:

7 (a) "Federal act" means the Electronic Signatures in Global and National
8 Commerce Act, 15 USC 7001 to 7031. ✓

9 (b) "Consumer" means an individual who seeks or obtains goods or services that
10 are used primarily for personal, family, or household purposes. ✓

11 (2) A provider may satisfy the requirements of s. 422.517, 422.519, or 422.527
12 by means of the Internet or other electronic means if the provider obtains a
13 consumer's consent in the manner provided by 15 USC 7001 (c) (1). ✓

14 (3) The disclosures and materials required by ss. 422.517, 422.519, and
15 422.527 shall be presented in a form that is capable of being accurately reproduced
16 for later reference. ✓

17 (4) With respect to disclosure by means of an Internet website, the disclosure
18 of the information required by s. 422.517 (4) must appear on one or more screens that
19 contain no other information and that the individual must see before proceeding to
20 assent to formation of a plan. ✓ *ection*

★ **NOTE:** I combined s. 18 (d) (1) and (2) of the uniform act into the above
subsection. ✓

21 (5) At the time of providing the materials and agreement required by ss.
22 422.517 (3) and (4), 422.519, and 422.527, a provider shall inform the individual that

1 upon electronic, telephonic, or written request, it will send the individual a written
2 copy of the materials, and shall comply with a request as provided in sub. (6). ✓

3 (6) If a provider is requested, before the expiration of 90 days after a plan is
4 completed or terminated, to send a written copy of the materials required by s.
5 422.517 (3) and (4), 422.519, and 422.527, the provider shall send them at no charge
6 within ³ ~~three~~ business days after the request, but the provider need not comply with
7 a request more than once per calendar month or if it reasonably believes the request
8 is made for purposes of harassment. ✓ If a request is made more than 90 days after
9 a plan is completed or terminated, the provider shall send within a reasonable time
10 a written copy of the materials requested. ✓

11 (7) A provider that maintains an Internet website shall disclose all of the
12 following on the home page of its website or on a page that is clearly and
13 conspicuously connected to the home page by a link that clearly reveals its contents: ✓

✶ ***NOTE: I added "all of the following" after "disclose". ✓

14 (a) Its name and all names under which it does business. ✓

15 (b) Its principal business address, telephone number, and electronic-mail
16 address, if any. ✓

17 (c) The names of its principal officers. ✓

18 (8) Subject to sub. (9), if a consumer who has consented to electronic
19 communication in the manner provided by 15 USC 7001 withdraws consent as
20 provided in the federal act, a provider may terminate its agreement with the
21 consumer. ✓

22 (9) If a provider wishes to terminate an agreement with a consumer pursuant
23 to sub. (8), it shall notify the consumer that it will terminate the agreement unless
24 the consumer, within 30 days after receiving the notification, consents to electronic

1 communication in the manner provided in 15 USC 7001 (c).[✓] If the consumer
2 consents, the provider may terminate the agreement only as permitted by s. 422.519
3 (1) (f) 7.[✓]

4 **422.519 Form and contents of agreement.** (1) An agreement must satisfy
5 all of the following:[✓]

****NOTE: I added "satisfy all of the following" to the above.[✓]

6 (a) Be in a record.[✓]

7 (b) Be dated and signed by the provider and the individual.[✓]

8 (c) Include the name of the individual and the address where the individual
9 resides.[✓]

10 (d) Include the name, business address, and telephone number of the provider.[✓]

11 (e) Be delivered to the individual immediately upon formation of the
12 agreement.[✓]

13 (f) Disclose all of the following:[✓]

****NOTE: I added "all of the following" to the above.[✓]

14 1. The services to be provided.[✓]

15 2. The amount, or method of determining the amount, of all fees, individually
16 itemized, to be paid by the individual.[✓]

17 3. The schedule of payments to be made by or on behalf of the individual,
18 including the amount of each payment, the date on which each payment is due, and
19 an estimate of the date of the final payment.[✓]

20 4. If a plan provides for regular periodic payments to creditors, all of the
21 following:[✓]

****NOTE: I added "all of the following" to the above.

1 a. Each creditor of the individual to which payment will be made, the amount
2 owed to each creditor, and any concessions the provider reasonably believes each
3 creditor will offer. ✓

4 b. The schedule of expected payments to each creditor, including the amount
5 of each payment and the date on which it will be made. ✓

6 5. Each creditor that the provider believes will not participate in the plan and
7 to which the provider will not direct payment. ✓

8 6. How the provider will comply with its obligations under s. 422.527 (1). ✓

9 7. That the provider may terminate the agreement for good cause, upon return
10 of unexpended money of the individual. ✓

11 8. That the individual may cancel the agreement as provided in s. 422.520. ✓

12 9. That the individual may contact the administrator with any questions or
13 complaints regarding the provider. ✓

14 10. The address, telephone number, and Internet address or website of the
15 administrator. ✓

16 (2) For purposes of sub. (1) (e), delivery of an electronic record occurs when it
17 is made available in a format in which the individual may retrieve, save, and print
18 it and the individual is notified that it is available. ✓

19 (3) If the administrator supplies the provider with any information required
20 under sub. (1) (f) 10., the provider may comply with that requirement only by
21 disclosing the information supplied by the administrator. ✓

22 (4) An agreement must provide all of the following: ✓

****NOTE: I added "all of the following" to the above and added "that" at the
beginning of the following paragraphs. ✓

1 (a) That the individual has a right to terminate the agreement at any time,
2 without penalty or obligation, by giving the provider written or electronic notice, in
3 which event all of the following apply:

****NOTE: I added "all of the following apply" to the above. ✓

4 1. The provider will refund all unexpended money that the provider or its agent
5 has received from or on behalf of the individual for the reduction or satisfaction of
6 the individual's debt. ✓

7 2. With respect to an agreement that contemplates that creditors will settle
8 debts for less than the principal amount of debt, the provider will refund 65 percent
9 of any portion of the set-up fee that has not been credited against the settlement fee. ✓

10 3. All powers of attorney granted by the individual to the provider are revoked
11 and ineffective. ✓

12 (b) That the individual authorizes any bank in which the provider or its agent
13 has established a trust account to disclose to the administrator any financial records
14 relating to the trust account. ✓

15 (c) That the provider will notify the individual within ⁵5 days after learning
16 of a creditor's decision to reject or withdraw from a plan and that this notice will
17 include all of the following: ✓

****NOTE: I added "all of the following" to the above.

18 1. The identity of the creditor. ✓

19 2. The right of the individual to modify or terminate the agreement. ✓

20 (5) An agreement may confer on a provider a power of attorney to settle the
21 individual's debt for no more than 50 percent of the principal amount of the debt. An
22 agreement may not confer a power of attorney to settle a debt for more than 50
23 percent of that amount, but may confer a power of attorney to negotiate with

1 creditors of the individual on behalf of the individual. An agreement must provide
2 that the provider will obtain the assent of the individual after a creditor has assented
3 to a settlement for more than 50 percent of the principal amount of the debt. ✓

4 (6) An agreement may not do any of the following: ✓

***NOTE: I added "do any of the following" to the above.

5 (a) Provide for application of the law of any jurisdiction other than the United
6 States and this state.

7 (b) Except as permitted by 9 USC 2 or ch. 788, contain a provision that modifies
8 or limits otherwise available forums or procedural rights, including the right to trial
9 by jury, that are generally available to the individual under law other than this
10 subchapter. ✓

***NOTE: I added the reference to Wisconsin's arbitration law in ch. 788. ✓

11 (c) Contain a provision that restricts the individual's remedies under this
12 subchapter or law other than this subchapter. ✓

13 (d) Contain a provision that does any of the following: ✓

***NOTE: I added "does any of the following" to the above. ✓

14 1. Limits or releases the liability of any person for not performing the
15 agreement or for violating this subchapter. ✓

16 2. Indemnifies any person for liability arising under the agreement or this
17 subchapter. ✓

18 (7) All rights and obligations specified in sub. (4) and s. 422.520 exist even if
19 not provided in the agreement. A provision in an agreement which violates sub. (4),
20 (5), or (6) is void. ✓

21 **422.520 Cancellation of agreement; waiver.** (1) An individual may cancel
22 an agreement before midnight of the third business day after the individual assents

3rd

✓ ✓ ✓

1 to it, unless the agreement does not comply with sub. (2) or s. 422.519 or 422.528, in
2 which event the individual may cancel the agreement within 30 days after the
3 individual assents to it. ✓ To exercise the right to cancel, the individual must give
4 notice in a record to the provider. ✓ Notice by mail is given when mailed. ✓

5 (2) An agreement must be accompanied by a form that contains all of the
6 following in bold-face type, surrounded by bold black lines: ✓

* ***NOTE: I added "all of the following" after "contains". ✓

7 Notice of Right to Cancel

8 You may cancel this agreement, without any penalty or obligation, at any time
9 before midnight of the ^{or 3rd} (third) business day that begins the day after you agree to it by
10 electronic communication or by signing it.

11 To cancel this agreement during this period, send an e-mail to *[insert e-mail*
12 *address of provider]* or mail or deliver a signed, dated copy of this notice, or any other
13 written notice to *[insert name of provider]* at *[insert address of provider]* before
14 midnight on *[insert date]*. ✓

15 If you cancel this agreement within the 3-day period, we will refund all money
16 you already have paid us. ✓

17 You also may terminate this agreement at any later time, but we are not
18 required to refund fees you have paid us. ✓

19 I cancel this agreement,

20 _____

21 *Print your name*

22 _____

23 *Signature*

24 _____

1 *Date*

2 **(3)** If a personal financial emergency necessitates the disbursement of an
3 individual's money to one or more of the individual's creditors before the expiration
4 of ³three days after an agreement is signed, an individual may waive the right to
5 cancel. To waive the right, the individual must send or deliver a signed, dated
6 statement in the individual's own words describing the circumstances that
7 necessitate a waiver. The waiver must explicitly waive the right to cancel. A waiver
8 by means of a standard-form record is void.

9 **422.521 Required language.** Unless the administrator, by rule, provides
10 otherwise, the disclosures and documents required by this subchapter must be in
11 English. If a provider communicates with an individual primarily in a language
12 other than English, the provider must furnish a translation into the other language
13 of the disclosures and documents required by this subchapter.

14 **422.522 Trust account. (1)** All money paid to a provider by or on behalf of
15 an individual pursuant to a plan for distribution to creditors is held in trust. Within
16 ²two business days after receipt, the provider shall deposit the money in a trust
17 account established for the benefit of individuals to whom the provider is furnishing
18 debt-management services.

19 **(2)** Money held in trust by a provider is not property of the provider or its
20 designee. The money is not available to creditors of the provider or designee, except
21 an individual from whom or on whose behalf the provider received money, to the
22 extent that the money has not been disbursed to creditors of the individual.

23 **(3)** A provider shall do all of the following:

***NOTE: I added "do all of the following" to the above.

1 (a) Maintain separate records of account for each individual to whom the
2 provider is furnishing debt-management services. ✓

3 (b) Disburse money paid by or on behalf of the individual to creditors of the
4 individual as disclosed in the agreement, except that all of the following apply: ✓

****NOTE: I added "all of the following apply" to the above.

5 1. The provider may delay payment to the extent that a payment by the
6 individual is not final. ✓

7 2. If a plan provides for regular periodic payments to creditors, the
8 disbursement must comply with the due dates established by each creditor. ✓

9 (c) Promptly correct any payments that are not made or that are misdirected
10 as a result of an error by the provider or other person in control of the trust account
11 and reimburse the individual for any costs or fees imposed by a creditor as a result
12 of the failure to pay or misdirection. ✓

13 (4) A provider may not commingle money in a trust account established for the
14 benefit of individuals to whom the provider is furnishing debt-management services
15 with money of other persons. ✓

16 (5) A trust account must at all times have a cash balance equal to the sum of
17 the balances of each individual's account. ✓

18 (6) If a provider has established a trust account pursuant to sub. (1), the
19 provider shall reconcile the trust account at least once a month. ✓ The reconciliation
20 must compare the cash balance in the trust account with the sum of the balances in
21 each individual's account. If the provider or its designee has more than one trust
22 account, each trust account must be individually reconciled. ✓

23 (7) If a provider discovers, or has a reasonable suspicion of, embezzlement or
24 other unlawful appropriation of money held in trust, the provider immediately shall

1 notify the administrator by a method approved by the administrator. ✓ Unless the
2 administrator by rule provides otherwise, within ⁵ five days thereafter, the provider
3 shall give notice to the administrator describing the remedial action taken or to be
4 taken. ✓

5 (8) If an individual terminates an agreement or it becomes reasonably
6 apparent to a provider that a plan has failed, the provider shall promptly refund to
7 the individual all money paid by or on behalf of the individual which has not been
8 paid to creditors, less fees that are payable to the provider under s. 422.523. ✓

9 (9) Before relocating a trust account from one bank to another, a provider shall
10 inform the administrator of the name, business address, and telephone number of
11 the new bank. ✓ As soon as practicable, the provider shall inform the administrator
12 of the account number of the trust account at the new bank. ✓

13 **422.523 Fees and other charges.** (1) A provider may not impose directly
14 or indirectly a fee or other charge on an individual or receive money from or on behalf
15 of an individual for debt-management services except as permitted by this section. ✓

16 (2) A provider may not impose charges or receive payment for
17 debt-management services until the provider and the individual have signed an
18 agreement that complies with ss. 422.519 and 422.528. ✓

19 (3) If an individual assents to an agreement, a provider may not impose a fee
20 or other charge for educational or counseling services, or the like, except as otherwise
21 provided in this section and s. 422.528 (4). The administrator may authorize a
22 provider to charge a fee based on the nature and extent of the educational or
23 counseling services furnished by the provider. ✓

24 (4) Subject to adjustment of dollar amounts pursuant to s. 422.532 (6), all of
25 the following rules apply: ✓

* ****NOTE: I added "all of" before "the following" ✓

1 (a) If an individual assents to a plan that contemplates that creditors will
2 reduce finance charges or fees for late payment, default, or delinquency, the provider
3 may charge all of the following: ✓

****NOTE: I added "any of the following" to the above. ✓

4 1. A fee not exceeding \$50 for consultation, obtaining a credit report, setting
5 up an account, and the like. ✓

6 2. A monthly service fee, not to exceed \$10 times the number of creditors
7 remaining in a plan at the time the fee is assessed, but not more than \$50 in any
8 month. ✓

9 (b) If an individual assents to a plan that contemplates that creditors will settle
10 debts for less than the principal amount of the debt, a provider may charge all of the
11 following: ✓

****NOTE: I added "all of the following" to the above. ✓

12 1. Subject to s. 422.519 (4), a fee for consultation, obtaining a credit report,
13 setting up an account, and the like, in an amount not exceeding the lesser of \$400 and
14 ⁴four percent of the debt in the plan at the inception of the plan.

15 2. A monthly service fee, not to exceed \$10 times the number of creditors
16 remaining in a plan at the time the fee is assessed, but not more than \$50 in any
17 month.

18 (c) A provider may not impose or receive fees under both pars. (a) and (b).

19 (d) Except as otherwise provided in s. 422.528 (4), if an individual does not
20 assent to an agreement, a provider may receive for educational and counseling
21 services it provides to the individual a fee not exceeding \$100 or, with the approval
22 of the administrator, a larger fee. The administrator may approve a fee larger than

1 \$100 if the nature and extent of the educational and counseling services warrant the
2 larger fee. ✓

3 (5) If, before the expiration of 90 days after the completion or termination of
4 educational or counseling services, an individual assents to an agreement, the
5 provider shall refund to the individual any fee paid pursuant to sub. (4) (d). ✓

6 (6) Except as otherwise provided in subs. (3) and (4), ✓ if a plan contemplates that
7 creditors will settle an individual's debts for less than the principal amount of the
8 debt, compensation for services in connection with settling a debt may not exceed,
9 with respect to each debt, 30 percent of the excess of the principal amount of the debt
10 over the amount paid the creditor pursuant to the plan, less the sum of the following,
11 to the extent it has not been credited against an earlier settlement fee: ✓

★ ****NOTE: I added "the sum of the following" after "less" ✓)

12 (a) The fee charged pursuant to sub. (4) (b) 1. ✓

13 (b) The aggregate of fees charged pursuant to sub. (4) (b) 2. ✓

14 (7) Subject to adjustment of the dollar amount pursuant to s. 422.532 (6), ✓ if a
15 payment to a provider by an individual under this subchapter is dishonored, a
16 provider may impose a reasonable charge on the individual, not to exceed the lesser
17 of \$25 and the amount permitted by law other than this subchapter. ✓

18 **422.524 Voluntary contributions.** A provider may not solicit a voluntary
19 contribution from an individual or an affiliate of the individual for any service
20 provided to the individual. ✓ A provider may accept voluntary contributions from an
21 individual but, until 30 days after completion or termination of a plan, the aggregate
22 amount of money received from or on behalf of the individual may not exceed the total
23 amount the provider may charge the individual under s. 422.523. ✓