

2007 DRAFTING REQUEST

Assembly Amendment (AA-AB218)

Received: 05/21/2007

Received By: mkunkel

Wanted: As time permits

Identical to LRB:

For: Scott Newcomer (608) 266-3007

By/Representing: Pat Essie

This file may be shown to any legislator: NO

Drafter: mkunkel

May Contact: Pat Essie

Addl. Drafters:

Subject: Fin. Inst. - int. rates/loans

Extra Copies:

Submit via email: YES

Requester's email: Rep.Newcomer@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Certified debt specialists and other changes

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/1	mkunkel 05/24/2007	kfollett 05/25/2007	rschluet 05/25/2007	_____	sbasford 05/25/2007	sbasford 05/25/2007	
/2	mkunkel 08/27/2007	csicilia 08/27/2007	rschluet 08/27/2007	_____	lparisi 08/27/2007	lparisi 08/27/2007	

FE Sent For:

<END>

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FE Sent For:

1/2 cjs 8/27
07
[Signature]
[Stamp: END]

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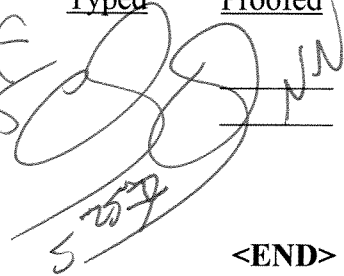
Certified debt specialists and other changes

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/?	mkunkel	11/15/07 5/25/07					
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FE Sent For:

<END>

Kunkel, Mark

From: Caren Hanson [chanson@debtxs.com]
Sent: Friday, May 04, 2007 11:00 AM
To: Kunkel, Mark; Knight, Eric
Cc: Patrick Essie
Subject: FW: SB57
Attachments: 057_rer.pdf

Mark,

Thank you for taking the time to speak with me this morning on AB218. The Uniform Debt Management Services Act has past both chambers as of yesterday and is now on the way to the Governor's desk. It is important to note that these amendments were a collaborative effort between NCCUSL and several industry groups including TASC.

Rather than submitting individual page line amendments to SB57, the Colorado sponsor simply did a substitute amendment due to the voluminous number of amendments. With both you and Eric's approval, may I suggest that we do the same thing in Wisconsin? In order to facilitate a greater understanding of the amendments in the final version of Colorado SB57, I will prepare a general summary for all to review next week. Please let me know your thoughts on handling .

Caren Lock Hanson

General Counsel
DebtXS, LP
7668 Warren Parkway, Suite 325
Frisco, Texas 75034
(p) 214.442.1140
(f) 214.556.2938

First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 07-0172.01 Thomas Morris

SENATE BILL 07-057

SENATE SPONSORSHIP

Veiga,

HOUSE SPONSORSHIP

Carroll, T.,

Senate Committees

Judiciary
Appropriations

House Committees

Business Affairs and Labor
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF DEBT-SETTLEMENT SERVICES, AND,**
102 **IN CONNECTION THEREWITH, ENACTING THE _____**
103 **"DEBT-MANAGEMENT SERVICES ACT" AND MAKING AN**
104 **APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Enacts the "Uniform Debt-Settlement Services Act" (act). Requires the registration of providers of debt-settlement services that enter into agreements with individuals for the purpose of creating debt repayment programs. Makes conforming amendments to the "Colorado

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

3rd Floor

Amended

3rd Floor

Amended

Credit Services Organization Act".

Designates an assistant attorney general as the administrator of the act, including grants of rule-making authority. Specifies requirements to obtain a registration certificate, including payment of a fee and proof of insurance. Establishes requirements for the negotiation, contents, performance, and termination of agreements. Allows enforcement of the act by both the administrator and by private individuals, including recovery of minimum, actual, and, in appropriate cases, punitive damages.

Repeals the act in 2015 pursuant to the provisions of the sunset review law.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Article 14.5 of title 12, Colorado Revised Statutes,
3 is amended BY THE ADDITION OF A NEW PART to read:

4 **ARTICLE 14.5**

5 **Debt-Management Services**

6 **PART 2**

7 **UNIFORM ACT**

8 **12-14.5-201. Short title.** THIS PART 2 SHALL BE KNOWN AND MAY
9 BE CITED AS THE "UNIFORM DEBT-MANAGEMENT SERVICES ACT".

10 **12-14.5-202. Definitions.** AS USED IN THIS PART 2, UNLESS THE
11 CONTEXT OTHERWISE REQUIRES:

12 (1) "ADMINISTRATOR" MEANS THE ASSISTANT ATTORNEY GENERAL
13 DESIGNATED BY THE ATTORNEY GENERAL PURSUANT TO SECTION 5-6-103,
14 C.R.S.

15 (2) "AFFILIATE":

16 (A) WITH RESPECT TO AN INDIVIDUAL, MEANS:

17 (i) THE SPOUSE OF THE INDIVIDUAL;

18 (ii) A SIBLING OF THE INDIVIDUAL OR THE SPOUSE OF A SIBLING;

19 (iii) AN INDIVIDUAL OR THE SPOUSE OF AN INDIVIDUAL WHO IS A
20 LINEAL ANCESTOR OR LINEAL DESCENDANT OF THE INDIVIDUAL OR THE

CO DIV 12

1 INDIVIDUAL'S SPOUSE;

2 (iv) AN AUNT, UNCLE, GREAT AUNT, GREAT UNCLE, FIRST COUSIN,
3 NIECE, NEPHEW, GRANDNIECE, OR GRANDNEPHEW, WHETHER RELATED BY
4 THE WHOLE OR THE HALF BLOOD OR ADOPTION, OR THE SPOUSE OF ANY OF
5 THEM; OR

6 (v) ANY OTHER INDIVIDUAL OCCUPYING THE RESIDENCE OF THE
7 INDIVIDUAL; AND

8 (B) WITH RESPECT TO AN ENTITY, MEANS:

9 (i) A PERSON THAT DIRECTLY OR INDIRECTLY CONTROLS, IS
10 CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH, THE ENTITY;

11 (ii) AN OFFICER OF, OR AN INDIVIDUAL PERFORMING SIMILAR
12 FUNCTIONS WITH RESPECT TO, THE ENTITY;

13 (iii) A DIRECTOR OF, OR AN INDIVIDUAL PERFORMING SIMILAR
14 FUNCTIONS WITH RESPECT TO, THE ENTITY;

15 (iv) SUBJECT TO ADJUSTMENT OF THE DOLLAR AMOUNT PURSUANT
16 TO SECTION 12-14.5-232 (f), A PERSON THAT RECEIVES OR RECEIVED MORE
17 THAN TWENTY-FIVE THOUSAND DOLLARS FROM THE ENTITY IN EITHER THE
18 CURRENT YEAR OR THE PRECEDING YEAR OR A PERSON THAT OWNS MORE
19 THAN TEN PERCENT OF, OR AN INDIVIDUAL WHO IS EMPLOYED BY OR IS A
20 DIRECTOR OF, A PERSON THAT RECEIVES OR RECEIVED MORE THAN
21 TWENTY-FIVE THOUSAND DOLLARS FROM THE ENTITY IN EITHER THE
22 CURRENT YEAR OR THE PRECEDING YEAR;

23 (v) AN OFFICER OR DIRECTOR OF, OR AN INDIVIDUAL PERFORMING
24 SIMILAR FUNCTIONS WITH RESPECT TO, A PERSON DESCRIBED IN
25 SUB-SUBPARAGRAPH (i) OF THIS SUBPARAGRAPH (B);

26 (vi) THE SPOUSE OF, OR AN INDIVIDUAL OCCUPYING THE
27 RESIDENCE OF, AN INDIVIDUAL DESCRIBED IN SUB-SUBPARAGRAPHS (i) TO

Subd. 2.a to 2.e.

1 (v) OF THIS SUBPARAGRAPH (B); OR

2 (vii) AN INDIVIDUAL WHO HAS THE RELATIONSHIP SPECIFIED IN
3 ~~SUB-SUBPARAGRAPH (iv) OF SUBPARAGRAPH (A) OF THIS PARAGRAPH (2)~~
4 TO AN INDIVIDUAL OR THE SPOUSE OF AN INDIVIDUAL DESCRIBED IN
5 ~~SUB-SUBPARAGRAPHS (i) TO (v) OF THIS SUBPARAGRAPH (B).~~

6 (3) "AGREEMENT" MEANS AN AGREEMENT BETWEEN A PROVIDER
7 AND AN INDIVIDUAL FOR THE PERFORMANCE OF DEBT-MANAGEMENT
8 SERVICES.

9 (4) "BANK" MEANS A FINANCIAL INSTITUTION, INCLUDING A
10 COMMERCIAL BANK, SAVINGS BANK, SAVINGS AND LOAN ASSOCIATION,
11 CREDIT UNION, MORTGAGE BANK, AND TRUST COMPANY, ENGAGED IN THE
12 BUSINESS OF BANKING, CHARTERED UNDER FEDERAL OR STATE LAW, AND
13 REGULATED BY A FEDERAL OR STATE BANKING REGULATORY AUTHORITY.

14 (5) "BUSINESS ADDRESS" MEANS THE PHYSICAL LOCATION OF A
15 BUSINESS, INCLUDING THE NAME AND NUMBER OF A STREET.

16 (6) "CERTIFIED COUNSELOR" MEANS AN INDIVIDUAL CERTIFIED BY
17 A TRAINING PROGRAM OR CERTIFYING ORGANIZATION, APPROVED BY THE
18 ~~ADMINISTRATOR~~, THAT AUTHENTICATES THE COMPETENCE OF
19 INDIVIDUALS PROVIDING EDUCATION AND ASSISTANCE TO OTHER
20 INDIVIDUALS IN CONNECTION WITH DEBT-MANAGEMENT SERVICES.

21 (7) "CERTIFIED DEBT SPECIALIST" MEANS ~~AN INDIVIDUAL~~
22 CERTIFIED BY A TRAINING PROGRAM OR CERTIFYING ORGANIZATION,
23 APPROVED BY THE ADMINISTRATOR, THAT AUTHENTICATES THE
24 COMPETENCE OF INDIVIDUALS PROVIDING EDUCATION AND ASSISTANCE TO
25 DEBTORS AS PART OF THE INITIAL ENROLLMENT FOR DEBT-MANAGEMENT
26 SERVICES OFFERED BY A PERSON THAT DOES NOT HOLD MONEY FOR
27 INDIVIDUALS WITH WHOM AGREEMENTS ARE MADE.

1 (8) "CONCESSIONS" MEANS ASSENT TO REPAYMENT OF A DEBT ON
2 TERMS MORE FAVORABLE TO AN INDIVIDUAL THAN THE TERMS OF THE
3 CONTRACT BETWEEN THE INDIVIDUAL AND A CREDITOR.

4 (9) "DAY" MEANS CALENDAR DAY.

5 (10) "DEBT-MANAGEMENT SERVICES" MEANS SERVICES AS AN
6 INTERMEDIARY BETWEEN AN INDIVIDUAL AND ONE OR MORE CREDITORS
7 OF THE INDIVIDUAL FOR THE PURPOSE OF OBTAINING CONCESSIONS, BUT
8 DOES NOT INCLUDE:

9 (A) LEGAL SERVICES PROVIDED IN AN ATTORNEY-CLIENT
10 RELATIONSHIP BY AN ATTORNEY LICENSED OR OTHERWISE AUTHORIZED TO
11 PRACTICE LAW IN THIS STATE;

12 (B) ACCOUNTING SERVICES PROVIDED IN AN ACCOUNTANT-CLIENT
13 RELATIONSHIP BY A CERTIFIED PUBLIC ACCOUNTANT LICENSED TO PROVIDE
14 ACCOUNTING SERVICES IN THIS STATE; OR

15 (C) FINANCIAL-PLANNING SERVICES PROVIDED IN A FINANCIAL
16 PLANNER-CLIENT RELATIONSHIP BY A MEMBER OF A FINANCIAL-PLANNING
17 PROFESSION WHOSE MEMBERS THE ADMINISTRATOR, BY RULE,
18 DETERMINES ARE:

19 (i) LICENSED BY THIS STATE;

20 (ii) SUBJECT TO A DISCIPLINARY MECHANISM;

21 (iii) SUBJECT TO A CODE OF PROFESSIONAL RESPONSIBILITY; AND

22 (iv) SUBJECT TO A CONTINUING-EDUCATION REQUIREMENT.

23 (11) "ENTITY" MEANS A PERSON OTHER THAN AN INDIVIDUAL.

24 (12) "GOOD FAITH" MEANS HONESTY IN FACT AND THE
25 OBSERVANCE OF REASONABLE STANDARDS OF FAIR DEALING.

26 (13) "PERSON" MEANS AN INDIVIDUAL, CORPORATION, BUSINESS
27 TRUST, ESTATE, TRUST, PARTNERSHIP, LIMITED LIABILITY COMPANY,

diff.

1 ASSOCIATION, JOINT VENTURE, OR ANY OTHER LEGAL OR COMMERCIAL
2 ENTITY. THE TERM DOES NOT INCLUDE A PUBLIC CORPORATION,
3 GOVERNMENT, OR GOVERNMENTAL SUBDIVISION, AGENCY, OR
4 INSTRUMENTALITY.

5 (14) "PLAN" MEANS A PROGRAM OR STRATEGY IN WHICH A
6 PROVIDER FURNISHES DEBT-MANAGEMENT SERVICES TO AN INDIVIDUAL
7 AND THAT INCLUDES A SCHEDULE OF PAYMENTS TO BE MADE BY OR ON
8 BEHALF OF THE INDIVIDUAL AND USED TO PAY DEBTS OWED BY THE
9 INDIVIDUAL.

10 (15) "PRINCIPAL AMOUNT OF THE DEBT" MEANS THE AMOUNT OF
11 A DEBT AT THE TIME OF AN AGREEMENT.

12 (16) "PROVIDER" MEANS A PERSON THAT PROVIDES, OFFERS TO
13 PROVIDE, OR AGREES TO PROVIDE DEBT-MANAGEMENT SERVICES DIRECTLY
14 OR THROUGH OTHERS.

15 (17) "RECORD" MEANS INFORMATION THAT IS INSCRIBED ON A
16 TANGIBLE MEDIUM OR THAT IS STORED IN AN ELECTRONIC OR OTHER
17 MEDIUM AND IS RETRIEVABLE IN PERCEIVABLE FORM.

18 (18) "SETTLEMENT FEE" MEANS A CHARGE IMPOSED ON OR PAID BY
19 AN INDIVIDUAL IN CONNECTION WITH A CREDITOR'S ASSENT TO ACCEPT IN
20 FULL SATISFACTION OF A DEBT AN AMOUNT LESS THAN THE PRINCIPAL
21 AMOUNT OF THE DEBT.

22 (19) "SIGN" MEANS, WITH PRESENT INTENT TO AUTHENTICATE OR
23 ADOPT A RECORD:

24 (A) TO EXECUTE OR ADOPT A TANGIBLE SYMBOL; OR

25 (B) TO ATTACH TO OR LOGICALLY ASSOCIATE WITH THE RECORD
26 AN ELECTRONIC SOUND, SYMBOL, OR PROCESS.

27 (20) "STATE" MEANS A STATE OF THE UNITED STATES, THE

1 DISTRICT OF COLUMBIA, PUERTO RICO, THE UNITED STATES VIRGIN
2 ISLANDS, OR ANY TERRITORY OR INSULAR POSSESSION SUBJECT TO THE
3 JURISDICTION OF THE UNITED STATES.

4 (21) "TRUST ACCOUNT" MEANS AN ACCOUNT HELD BY A PROVIDER
5 THAT IS:

6 (A) ESTABLISHED IN AN INSURED BANK;

7 (B) SEPARATE FROM OTHER ACCOUNTS OF THE PROVIDER OR ITS
8 DESIGNEE;

9 (C) DESIGNATED AS A TRUST ACCOUNT OR OTHER ACCOUNT
10 DESIGNATED TO INDICATE THAT THE MONEY IN THE ACCOUNT IS NOT THE
11 MONEY OF THE PROVIDER OR ITS DESIGNEE;

12 (D) USED TO HOLD MONEY OF ONE OR MORE INDIVIDUALS FOR
13 DISBURSEMENT TO CREDITORS OF THE INDIVIDUALS; AND

14 (E) NOT AN ACCOUNT HELD BY A PERSON OTHER THAN A PROVIDER
15 OR AN AFFILIATE.

NEW

16 *section* **12-14.5-203. Exempt agreements and persons.** (a) THIS PART
17 ~~2~~ DOES NOT APPLY TO AN AGREEMENT WITH AN INDIVIDUAL WHO THE
18 PROVIDER HAS NO REASON TO KNOW RESIDES IN THIS STATE AT THE TIME
19 OF THE AGREEMENT.

20 (b) *section* THIS PART 2 DOES NOT APPLY TO A PROVIDER TO THE EXTENT
21 THAT THE PROVIDER:

22 (1) PROVIDES OR AGREES TO PROVIDE DEBT-MANAGEMENT,
23 EDUCATIONAL, OR COUNSELING SERVICES TO AN INDIVIDUAL WHO THE
24 PROVIDER HAS NO REASON TO KNOW RESIDES IN THIS STATE AT THE TIME
25 THE PROVIDER AGREES TO PROVIDE THE SERVICES; OR

26 (2) RECEIVES NO COMPENSATION FOR DEBT-MANAGEMENT
27 SERVICES FROM OR ON BEHALF OF THE INDIVIDUALS TO WHOM IT PROVIDES

NEW

unless ...

1 THE SERVICES OR FROM THEIR CREDITORS.

2 (3) PROVIDES DEBT MANAGEMENT SERVICES ONLY TO PERSONS
3 THAT HAVE INCURRED DEBT IN THE CONDUCT OF BUSINESS.

4 (c) THIS PART 2 DOES NOT APPLY TO THE FOLLOWING PERSONS OR
5 THEIR EMPLOYEES WHEN THE PERSON OR THE EMPLOYEE IS ENGAGED IN
6 THE REGULAR COURSE OF THE PERSON'S BUSINESS OR PROFESSION:

7 (1) A JUDICIAL OFFICER, A PERSON ACTING UNDER AN ORDER OF A
8 COURT OR AN ADMINISTRATIVE AGENCY, OR AN ASSIGNEE FOR THE
9 BENEFIT OF CREDITORS;

10 (2) A BANK; FI

11 (3) AN AFFILIATE, AS DEFINED IN SECTION 12-14.5-202 (2) (B) (i),
12 OF A BANK IF THE AFFILIATE IS REGULATED BY A FEDERAL OR STATE
13 BANKING REGULATORY AUTHORITY; OR

14 (4) A TITLE INSURER, ESCROW COMPANY, OR OTHER PERSON THAT
15 PROVIDES BILL-PAYING SERVICES IF THE PROVISION OF
16 DEBT-MANAGEMENT SERVICES IS INCIDENTAL TO THE BILL-PAYING
17 SERVICES.

See
some
exceptions

18 (3) 12-14.5-204. Registration required. (a) EXCEPT AS OTHERWISE
19 PROVIDED IN SUBSECTION (b) OF THIS SECTION, ON OR AFTER JULY 1, 2008,
20 A PROVIDER MAY NOT PROVIDE DEBT-MANAGEMENT SERVICES TO AN
21 INDIVIDUAL WHO IT REASONABLY SHOULD KNOW RESIDES IN THIS STATE
22 AT THE TIME IT AGREES TO PROVIDE THE SERVICES, UNLESS THE PROVIDER
23 IS REGISTERED UNDER THIS PART 2. lic'd

24 (b) IF A PROVIDER IS REGISTERED UNDER THIS PART 2, SUBSECTION
25 (a) OF THIS SECTION DOES NOT APPLY TO AN EMPLOYEE OR AGENT OF THE
26 PROVIDER.

27 (c) THE ADMINISTRATOR SHALL MAINTAIN AND PUBLICIZE A LIST

1 OF THE NAMES OF ALL REGISTERED PROVIDERS.

2 **12-14.5-205. Application for registration - form, fee, and**

3 **accompanying documents.** (a) AN APPLICATION FOR REGISTRATION AS

4 A PROVIDER SHALL BE IN A FORM PRESCRIBED BY THE ADMINISTRATOR.

5 (b) SUBJECT TO ADJUSTMENT OF DOLLAR AMOUNTS PURSUANT TO

6 SECTION 12-14.5-232 (f), AN APPLICATION FOR REGISTRATION AS A

7 PROVIDER SHALL BE ACCOMPANIED BY:

8 (1) ~~THE FEE ESTABLISHED BY THE ADMINISTRATOR.~~ THE

9 ADMINISTRATOR SHALL TRANSMIT THE FEE TO THE STATE TREASURER,

10 WHO SHALL DEPOSIT IT IN THE UNIFORM CONSUMER CREDIT CODE CASH

11 FUND, CREATED IN SECTION 5-6-204 (1), C.R.S.

12 (2) THE BOND REQUIRED BY SECTION 12-14.5-213;

13 (3) IDENTIFICATION OF ALL TRUST ACCOUNTS REQUIRED BY

14 SECTION 12-14.5-222 AND AN IRREVOCABLE CONSENT AUTHORIZING THE

15 ADMINISTRATOR TO REVIEW AND EXAMINE THE TRUST ACCOUNTS;

16 (4) EVIDENCE OF INSURANCE IN THE AMOUNT OF ONE MILLION

17 DOLLARS:

18 (A) AGAINST THE RISKS OF DISHONESTY, FRAUD, THEFT, AND

19 OTHER MISCONDUCT ON THE PART OF THE APPLICANT OR A DIRECTOR,

20 EMPLOYEE, OR AGENT OF THE APPLICANT;

21 (B) ISSUED BY AN INSURANCE COMPANY AUTHORIZED TO DO

22 BUSINESS IN THIS STATE AND RATED AT LEAST A BY A NATIONALLY

23 RECOGNIZED RATING ORGANIZATION;

24 (C) WITH A MAXIMUM DEDUCTIBLE OF FIVE THOUSAND DOLLARS;

25 (D) INSURING THE APPLICANT FOR CLAIMS MADE BY INDIVIDUALS

26 IN THIS OR ANY OTHER STATE, WHO HAVE AGREEMENTS WITH THE

27 APPLICANT, AND THIS STATE, AS THEIR INTERESTS MAY APPEAR.

diff

\$250,000

no deductible

slightly diff.

*+ not subj to cancellat -
w/o OFI approval*

1 (5) ^{IF APPLICABLE} PROOF OF COMPLIANCE WITH THE REQUIREMENTS OF TITLE 7,
2 C.R.S., THAT SPECIFY THE PREREQUISITES FOR AN ENTITY TO DO BUSINESS
3 IN THIS STATE; AND

4 (6) IF THE APPLICANT IS ORGANIZED AS A NOT-FOR-PROFIT ENTITY
5 OR IS EXEMPT FROM TAXATION, EVIDENCE OF NOT-FOR-PROFIT AND
6 TAX-EXEMPT STATUS APPLICABLE TO THE APPLICANT UNDER THE FEDERAL
7 "INTERNAL REVENUE CODE OF 1986", 26 U.S.C. SEC. 501, AS AMENDED.

8 **12-14.5-206. Application for registration - required**
9 **information.** AN APPLICATION FOR REGISTRATION SHALL BE SIGNED
10 UNDER PENALTY OF FALSE STATEMENT AND INCLUDE:

11 (1) THE APPLICANT'S NAME, PRINCIPAL BUSINESS ADDRESS AND
12 TELEPHONE NUMBER, AND ALL OTHER BUSINESS ADDRESSES IN THIS STATE,
13 ELECTRONIC-MAIL ADDRESSES, AND INTERNET WEB SITE ADDRESSES;

14 (2) ALL NAMES UNDER WHICH THE APPLICANT CONDUCTS
15 BUSINESS;

16 (3) THE ADDRESS OF EACH LOCATION IN THIS STATE AT WHICH THE
17 APPLICANT WILL PROVIDE DEBT-MANAGEMENT SERVICES OR A STATEMENT
18 THAT THE APPLICANT WILL HAVE NO SUCH LOCATION;

19 (4) THE NAME AND HOME ADDRESS OF EACH OFFICER AND
20 DIRECTOR OF THE APPLICANT AND EACH PERSON THAT OWNS AT LEAST TEN
21 PERCENT OF THE APPLICANT;

22 (5) IDENTIFICATION OF EVERY JURISDICTION IN WHICH, DURING
23 THE FIVE YEARS IMMEDIATELY PRECEDING THE APPLICATION:

24 (A) THE APPLICANT OR ANY OF ITS OFFICERS OR DIRECTORS HAS
25 BEEN LICENSED OR REGISTERED TO PROVIDE DEBT-MANAGEMENT
26 SERVICES; OR

27 (B) INDIVIDUALS HAVE RESIDED WHEN THEY RECEIVED

See (7)
w/p or
LLC

or in or
affirm.

(Title)

see
diff.

the percentage

1 DEBT-MANAGEMENT SERVICES FROM THE APPLICANT;

2 (6) A STATEMENT DESCRIBING, TO THE EXTENT IT IS KNOWN OR
3 SHOULD BE KNOWN BY THE APPLICANT, ANY MATERIAL CIVIL OR CRIMINAL
4 JUDGMENT OR LITIGATION AND ANY MATERIAL ADMINISTRATIVE OR
5 ENFORCEMENT ACTION BY A GOVERNMENTAL AGENCY IN ANY
6 JURISDICTION AGAINST THE APPLICANT, ANY OF ITS OFFICERS, DIRECTORS,
7 OWNERS, OR AGENTS, OR ANY PERSON WHO IS AUTHORIZED TO INITIATE
8 TRANSACTIONS TO THE TRUST ACCOUNT REQUIRED BY SECTION
9 12-14.5-222;

See diff

10 (7) THE APPLICANT'S FINANCIAL STATEMENTS, AUDITED BY AN
11 ACCOUNTANT LICENSED TO CONDUCT AUDITS, FOR EACH OF THE TWO
12 YEARS IMMEDIATELY PRECEDING THE APPLICATION OR, IF IT HAS NOT BEEN
13 IN OPERATION FOR THE TWO YEARS PRECEDING THE APPLICATION, FOR THE
14 PERIOD OF ITS EXISTENCE;

15 (8) EVIDENCE OF ACCREDITATION BY AN INDEPENDENT
16 ACCREDITING ORGANIZATION APPROVED BY THE ADMINISTRATOR;

17 (9) EVIDENCE THAT, WITHIN TWELVE MONTHS AFTER INITIAL
18 EMPLOYMENT, EACH OF THE APPLICANT'S COUNSELORS OR DEBT
19 SPECIALISTS BECOMES CERTIFIED AS A CERTIFIED COUNSELOR OR
20 CERTIFIED DEBT SPECIALIST;

21 (10) A DESCRIPTION OF THE THREE MOST COMMONLY USED
22 EDUCATIONAL PROGRAMS THAT THE APPLICANT PROVIDES OR INTENDS TO
23 PROVIDE TO INDIVIDUALS WHO RESIDE IN THIS STATE AND A COPY OF ANY
24 MATERIALS USED OR TO BE USED IN THOSE PROGRAMS;

25 (11) A DESCRIPTION OF THE APPLICANT'S FINANCIAL ANALYSIS AND
26 INITIAL PLAN, INCLUDING ANY FORM OR ELECTRONIC MODEL, USED TO
27 EVALUATE THE FINANCIAL CONDITION OF INDIVIDUALS. THE DESCRIPTION

budget

1 SHALL BE DEEMED TO BE CONFIDENTIAL COMMERCIAL DATA UNDER
2 SECTION 24-72-204 (3) (a) (IV), C.R.S.

3 (12) A COPY OF EACH FORM OF AGREEMENT THAT THE APPLICANT
4 WILL USE WITH INDIVIDUALS WHO RESIDE IN THIS STATE;

5 (13) THE SCHEDULE OF FEES AND CHARGES THAT THE APPLICANT
6 WILL USE WITH INDIVIDUALS WHO RESIDE IN THIS STATE;

7 (14) AT THE APPLICANT'S EXPENSE, THE RESULTS OF A STATE AND
8 NATIONAL FINGERPRINT-BASED CRIMINAL HISTORY RECORDS CHECK,
9 CONDUCTED WITHIN THE IMMEDIATELY PRECEDING TWELVE MONTHS,
10 COVERING EVERY OFFICER OF THE APPLICANT AND EVERY EMPLOYEE OR
11 AGENT OF THE APPLICANT WHO IS AUTHORIZED TO INITIATE TRANSACTIONS
12 TO THE TRUST ACCOUNT REQUIRED BY SECTION 12-14.5-222. THE
13 ADMINISTRATOR SHALL BE THE AUTHORIZED AGENCY TO RECEIVE
14 INFORMATION REGARDING THE RESULT OF THE NATIONAL CRIMINAL
15 HISTORY RECORDS CHECK.

See
diff.

diff.

10

16 (15) THE NAMES AND ADDRESSES OF ALL EMPLOYERS OF EACH
17 DIRECTOR DURING THE FIVE YEARS IMMEDIATELY PRECEDING THE
18 APPLICATION; EXCEPT THAT IF A DIRECTOR RECEIVES NO COMPENSATION
19 FROM THE PROVIDER, THE APPLICABLE PERIOD SHALL BE TWO YEARS. THE
20 NAMES AND ADDRESSES SHALL BE DEEMED TO BE CONFIDENTIAL.

diff.

21 (16) A DESCRIPTION OF ANY OWNERSHIP INTEREST OF AT LEAST
22 TEN PERCENT BY A DIRECTOR, OWNER, OR EMPLOYEE OF THE APPLICANT
23 IN:

24 (A) ANY AFFILIATE OF THE APPLICANT; OR

25 (B) ANY ENTITY THAT PROVIDES PRODUCTS OR SERVICES TO THE
26 APPLICANT OR ANY INDIVIDUAL RELATING TO THE APPLICANT'S
27 DEBT-MANAGEMENT SERVICES;

1 (17) FOR NOT-FOR-PROFIT PROVIDERS, A STATEMENT OF THE
2 AMOUNT OF COMPENSATION OF THE APPLICANT'S FIVE MOST HIGHLY
3 COMPENSATED EMPLOYEES FOR EACH OF THE THREE YEARS IMMEDIATELY
4 PRECEDING THE APPLICATION OR, IF IT HAS NOT BEEN IN OPERATION FOR
5 THE THREE YEARS IMMEDIATELY PRECEDING THE APPLICATION, FOR THE
6 PERIOD OF ITS EXISTENCE;

7 (18) THE IDENTITY OF EACH DIRECTOR WHO IS AN AFFILIATE, AS
8 DEFINED IN SECTION 12-14.5-202 (2) (A) OR (2) (B) (i), (2) (B) (ii), (2) (B)
9 (iv), (2) (B) (v), (2) (B) (vi), or (2) (B) (vii), OF THE APPLICANT; AND

10 (19) ANY OTHER INFORMATION THAT THE ADMINISTRATOR
11 REASONABLY REQUIRES TO PERFORM THE ADMINISTRATOR'S DUTIES
12 UNDER SECTION 12-14.5-209.

13 **10** 12-14.5-207. Application for registration - obligation to update
14 information. AN APPLICANT OR REGISTERED PROVIDER SHALL NOTIFY
15 THE ADMINISTRATOR WITHIN FIFTEEN DAYS AFTER A CHANGE IN THE
16 INFORMATION SPECIFIED IN SECTION 12-14.5-205 (b) (4) OR (b) (6) OR
17 SECTION 12-14.5-206 (1), (3), (6), (12), OR (13).

18 **2** 12-14.5-208. Application for registration - public information.
19 EXCEPT FOR THE INFORMATION REQUIRED BY SECTION 12-14.5-206 (7),
20 (11), (14), (15), AND (17) AND THE ADDRESSES REQUIRED BY SECTION
21 12-14.5-206 (4), THE ADMINISTRATOR SHALL MAKE THE INFORMATION IN
22 AN APPLICATION FOR REGISTRATION AS A PROVIDER AVAILABLE TO THE
23 PUBLIC.

24 **6** 12-14.5-209. Certificate of registration - issuance or denial.
25 (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (b) AND (c) OF THIS
26 SECTION, THE ADMINISTRATOR SHALL ISSUE A CERTIFICATE OF
27 REGISTRATION AS A PROVIDER TO A PERSON THAT COMPLIES WITH

was law cited

1 SECTIONS 12-14.5-205 AND 12-14.5-206.

2 (b) THE ADMINISTRATOR MAY DENY REGISTRATION IF:

3 (1) THE APPLICATION CONTAINS INFORMATION THAT IS
4 MATERIALLY ERRONEOUS OR INCOMPLETE;

5 (2) AN OFFICER, DIRECTOR, OR OWNER OF THE APPLICANT HAS
6 BEEN CONVICTED OF A CRIME, OR SUFFERED A CIVIL JUDGMENT,
7 INVOLVING DISHONESTY OR THE VIOLATION OF STATE OR FEDERAL
8 SECURITIES LAWS;

9 (3) THE APPLICANT OR ANY OF ITS OFFICERS, DIRECTORS, OR
10 OWNERS HAS DEFAULTED IN THE PAYMENT OF MONEY COLLECTED FOR
11 OTHERS; OR

12 (4) THE ADMINISTRATOR UPON REASONABLE BELIEF FINDS THAT
13 THE FINANCIAL RESPONSIBILITY, EXPERIENCE, CHARACTER, OR GENERAL
14 FITNESS OF THE APPLICANT OR ITS OWNERS, DIRECTORS, EMPLOYEES, OR
15 AGENTS DOES NOT WARRANT BELIEF THAT THE BUSINESS WILL BE
16 OPERATED IN COMPLIANCE WITH THIS PART 2.

17 (c) THE ADMINISTRATOR SHALL DENY REGISTRATION IF:

18 (1) THE APPLICATION IS NOT ACCOMPANIED BY THE FEE
19 ESTABLISHED BY THE ADMINISTRATOR; OR

20 (2) WITH RESPECT TO AN APPLICANT THAT IS ORGANIZED AS A
21 NOT-FOR-PROFIT ENTITY OR HAS OBTAINED TAX-EXEMPT STATUS UNDER
22 THE FEDERAL "INTERNAL REVENUE CODE OF 1986", 26 U.S.C. SEC. 501,
23 AS AMENDED, THE APPLICANT'S BOARD OF DIRECTORS IS NOT INDEPENDENT
24 OF THE APPLICANT'S EMPLOYEES AND AGENTS.

25 (d) SUBJECT TO ADJUSTMENT OF THE DOLLAR AMOUNT PURSUANT
26 TO SECTION 12-14.5-232 (f), A BOARD OF DIRECTORS IS NOT INDEPENDENT
27 FOR PURPOSES OF SUBSECTION (c) OF THIS SECTION IF MORE THAN

*Not
accompanied
by bond*

*- liable delinquent
- du'd support*

1 ONE-FOURTH OF ITS MEMBERS:

2 (1) ARE AFFILIATES OF THE APPLICANT, AS DEFINED IN SECTION
3 12-14.5-202 (2) (A), (2) (B) (i), (2) (B) (ii), (2) (B) (iv), (2) (B) (v), (2) (B)
4 (vi), OR (2) (B) (vii); OR

5 (2) AFTER THE DATE TEN YEARS BEFORE FIRST BECOMING A
6 DIRECTOR OF THE APPLICANT, WERE EMPLOYED BY OR DIRECTORS OF A
7 PERSON THAT RECEIVED FROM THE APPLICANT MORE THAN TWENTY-FIVE
8 THOUSAND DOLLARS IN EITHER THE CURRENT YEAR OR THE PRECEDING
9 YEAR.

10 (e) ~~THE~~ ADMINISTRATOR MAY TEMPORARILY APPROVE A
11 CERTIFICATE OF REGISTRATION IN THE EVENT AN APPLICANT HAS MADE A
12 TIMELY EFFORT TO OBTAIN A CRIMINAL RECORDS CHECK AS REQUIRED IN
13 SECTION 12-14.5-206 (14), BUT FOR WHICH A TIMELY RETURN OF
14 INFORMATION HAS NOT OCCURRED, FOR A REASONABLE PERIOD OF TIME
15 BUT NO LONGER THAN ONE HUNDRED TWENTY DAYS, PROVIDED THAT THE
16 APPLICANT HAS PROVIDED ALL OTHER REQUIRED INFORMATION IN THE
17 APPLICATION FOR REGISTRATION AND THE ADMINISTRATOR FINDS NO
18 REASON TO BELIEVE FROM THE INFORMATION THAT HAS BEEN PROVIDED
19 THAT THE APPLICANT MAY NOT PROVIDE FAIR AND HONEST SERVICES TO
20 DEBTORS UNDER THIS PART 2.

21 **12-14.5-210. Certificate of registration - timing.** (a) THE
22 ADMINISTRATOR SHALL APPROVE OR DENY AN INITIAL REGISTRATION AS
23 A PROVIDER WITHIN NINETY DAYS ¹²⁰ AFTER AN APPLICATION IS FILED. IN
24 CONNECTION WITH A REQUEST PURSUANT TO SECTION 12-14.5-206 (19)
25 FOR ADDITIONAL INFORMATION, THE ADMINISTRATOR MAY EXTEND THE
26 NINETY-DAY PERIOD FOR NOT MORE THAN THIRTY ⁶⁰ DAYS. WITHIN SEVEN
27 DAYS AFTER DENYING AN APPLICATION, THE ADMINISTRATOR, IN A

1 RECORD, SHALL INFORM THE APPLICANT OF THE REASONS FOR THE DENIAL.

2 (b) IF THE ADMINISTRATOR DENIES AN APPLICATION FOR
3 REGISTRATION AS A PROVIDER OR DOES NOT ACT ON AN APPLICATION
4 WITHIN THE TIME PRESCRIBED IN SUBSECTION (a) OF THIS SECTION, THE
5 APPLICANT MAY APPEAL AND REQUEST A HEARING PURSUANT TO PART 4
6 OF TITLE 24, C.R.S.

*w/ 5 Law
c/ 1st*

7 (c) - 1-year term

8 (c) UNTIL SUCH TIME AS AN INITIAL APPLICATION IS APPROVED OR
9 DENIED, THE APPLICANT MAY CONTINUE TO PROVIDE DEBT MANAGEMENT
10 SERVICES, BUT A DENIAL TERMINATES ANY FURTHER POWER TO PROVIDE
11 DEBT MANAGEMENT SERVICES UNLESS APPROVED BY THE ADMINISTRATOR.

12 (10) **12-14.5-211. Renewal of registration.** (a) A PROVIDER SHALL
13 OBTAIN A RENEWAL OF ITS REGISTRATION ANNUALLY BEFORE THE
14 EXPIRATION DATE OF THE REGISTRATION TO BE RENEWED, AS SPECIFIED
15 IN THIS SECTION.

16 (b) THE ADMINISTRATOR SHALL MAIL AN APPLICATION FOR
17 RENEWAL TO EACH PROVIDER AT LEAST SIXTY DAYS PRIOR TO THE
18 EXPIRATION DATE OF A REGISTRATION.

19 (c) AN APPLICATION FOR RENEWAL OF REGISTRATION AS A
20 PROVIDER SHALL BE IN A FORM PRESCRIBED BY THE ADMINISTRATOR,
21 SIGNED UNDER PENALTY OF FALSE STATEMENT, AND:

22 (1) BE FILED NO FEWER THAN THIRTY AND NO MORE THAN SIXTY
23 DAYS BEFORE THE REGISTRATION EXPIRES;

24 (2) BE ACCOMPANIED BY THE FEE ESTABLISHED BY THE
25 ADMINISTRATOR AND THE BOND REQUIRED BY SECTION 12-14.5-213;

26 (3) CONTAIN THE MATTER REQUIRED FOR INITIAL REGISTRATION
27 AS A PROVIDER BY SECTION 12-14.5-206 (8) AND (9), AND A FINANCIAL

audited

1 STATEMENT, REVIEWED BY AN ACCOUNTANT LICENSED TO CONDUCT
2 AUDITS, FOR THE APPLICANT'S FISCAL YEAR IMMEDIATELY PRECEDING THE
3 APPLICATION, EXCEPT THAT THE THIRD RENEWAL AFTER INITIAL
4 REGISTRATION AND EVERY FOURTH RENEWAL THEREAFTER SHALL BE
5 AUDITED RATHER THAN REVIEWED;

6 (4) DISCLOSE ANY CHANGES IN THE INFORMATION CONTAINED IN
7 THE APPLICANT'S APPLICATION FOR REGISTRATION OR ITS IMMEDIATELY
8 PREVIOUS APPLICATION FOR RENEWAL, AS APPLICABLE;

250,000

9 (5) SUPPLY EVIDENCE OF INSURANCE IN AN AMOUNT EQUAL TO THE
10 LARGER OF ONE MILLION DOLLARS OR THE HIGHEST DAILY BALANCE
11 ATTRIBUTABLE TO RESIDENTS OF COLORADO IN THE TRUST ACCOUNT
12 REQUIRED BY SECTION 12-14.5-222 DURING THE SIX-MONTH PERIOD
13 IMMEDIATELY PRECEDING THE APPLICATION:

14 (A) AGAINST RISKS OF DISHONESTY, FRAUD, THEFT, AND OTHER
15 MISCONDUCT ON THE PART OF THE APPLICANT OR A DIRECTOR, EMPLOYEE,
16 OR AGENT OF THE APPLICANT;

17 (B) ISSUED BY AN INSURANCE COMPANY AUTHORIZED TO DO
18 BUSINESS IN THIS STATE AND RATED AT LEAST A BY A NATIONALLY
19 RECOGNIZED RATING ORGANIZATION;

20 (C) WITH A MAXIMUM DEDUCTIBLE OF FIVE THOUSAND DOLLARS;

No deductible

21 AND

22 (D) INSURING THE APPLICANT FOR CLAIMS MADE BY INDIVIDUALS
23 IN THIS OR ANY OTHER STATE, WHO HAVE AGREEMENTS WITH THE
24 APPLICANT, AND THIS STATE, AS THEIR INTERESTS MAY APPEAR.

25 (6) DISCLOSE THE TOTAL AMOUNT OF MONEY RECEIVED BY THE
26 APPLICANT PURSUANT TO PLANS DURING THE PRECEDING TWELVE MONTHS
27 FROM OR ON BEHALF OF INDIVIDUALS WHO RESIDE IN THIS STATE AND THE

*Not subj to
cancellation - w/o OAT approval*

(7)

Disclose to best of applicant's —

1 TOTAL AMOUNT OF MONEY DISTRIBUTED TO CREDITORS OF THOSE
2 INDIVIDUALS DURING THAT PERIOD;

3 (7) IF THE APPLICANT DOES NOT HOLD MONEY ON BEHALF OF ANY
4 DEBTOR, DISCLOSE FOR BUSINESS DONE WITH DEBTORS IN THE STATE OF
5 COLORADO DURING THE PRECEDING TWELVE MONTHS, THE NUMBER OF
6 DEBTORS WITH WHOM THE APPLICANT HAS HAD AGREEMENTS, THE
7 NUMBER OF FULLY SETTLED DEBT AGREEMENTS WITH CREDITORS THAT
8 APPLICANT CONCLUDED FOR DEBTORS, AND AN ESTIMATE OF THE TOTAL
9 AMOUNT OF DEBT UNDER CONTRACT BETWEEN APPLICANT AND DEBTORS;
10 AND

— diff

11 (8) PROVIDE ANY OTHER INFORMATION THAT THE ADMINISTRATOR
12 REASONABLY REQUIRES TO PERFORM THE ADMINISTRATOR'S DUTIES
13 UNDER THIS SECTION.

14 (d) EXCEPT FOR THE INFORMATION REQUIRED BY SECTION
15 12-14.5-206 (7), (11), (14), (15), AND (17) AND THE ADDRESSES REQUIRED
16 BY SECTION 12-14.5-206 (4), THE ADMINISTRATOR SHALL MAKE THE
17 INFORMATION IN AN APPLICATION FOR RENEWAL OF REGISTRATION AS A
18 PROVIDER AVAILABLE TO THE PUBLIC.

19 (e) IF A REGISTERED PROVIDER FILES A TIMELY AND COMPLETE
20 APPLICATION FOR RENEWAL OF REGISTRATION, THE REGISTRATION
21 REMAINS EFFECTIVE UNTIL THE ADMINISTRATOR, IN A RECORD, NOTIFIES
22 THE APPLICANT OF A DENIAL AND STATES THE REASONS FOR THE DENIAL.

23 (f) IF THE ADMINISTRATOR DENIES AN APPLICATION FOR RENEWAL
24 OF REGISTRATION AS A PROVIDER, THE APPLICANT, WITHIN THIRTY DAYS
25 AFTER RECEIVING NOTICE OF THE DENIAL, MAY APPEAL AND REQUEST A
26 HEARING PURSUANT TO ARTICLE 4 OF TITLE 24, C.R.S. SUBJECT TO
27 SECTION 12-14.5-234, WHILE THE APPEAL IS PENDING, THE APPLICANT

Submit
du 28 2

1 SHALL CONTINUE TO PROVIDE DEBT-MANAGEMENT SERVICES TO
2 INDIVIDUALS WITH WHOM IT HAS AGREEMENTS. IF THE DENIAL IS
3 AFFIRMED, SUBJECT TO THE ADMINISTRATOR'S ORDER AND SECTION
4 12-14.5-234, THE APPLICANT SHALL CONTINUE TO PROVIDE
5 DEBT-MANAGEMENT SERVICES TO INDIVIDUALS WITH WHOM IT HAS
6 AGREEMENTS UNTIL, WITH THE APPROVAL OF THE ADMINISTRATOR, IT
7 TRANSFERS THE AGREEMENTS TO ANOTHER REGISTERED PROVIDER OR
8 RETURNS TO THE INDIVIDUALS ALL UNEXPENDED MONEY THAT IS UNDER
9 THE APPLICANT'S CONTROL.

10 (g) IF A REGISTERED PROVIDER FAILS TO FILE BY JULY 1 A
11 COMPLETE APPLICATION FOR RENEWAL OF REGISTRATION AND THE
12 REQUIRED RENEWAL FEE, THE REGISTRATION SHALL AUTOMATICALLY
13 EXPIRE ON THAT DATE.

14 **12-14.5-212. Registration in another state.** IF A PROVIDER
15 HOLDS A LICENSE OR CERTIFICATE OF REGISTRATION IN ANOTHER STATE
16 AUTHORIZING IT TO PROVIDE DEBT-MANAGEMENT SERVICES, THE
17 PROVIDER MAY SUBMIT A COPY OF THAT LICENSE OR CERTIFICATE AND THE
18 APPLICATION FOR IT INSTEAD OF AN APPLICATION IN THE FORM PRESCRIBED
19 BY SECTION 12-14.5-205 (a), 12-14.5-206, OR 12-14.5-211 (c). THE
20 ADMINISTRATOR SHALL ACCEPT THE APPLICATION AND THE LICENSE OR
21 CERTIFICATE FROM THE OTHER STATE AS AN APPLICATION FOR
22 REGISTRATION AS A PROVIDER OR FOR RENEWAL OF REGISTRATION AS A
23 PROVIDER, AS APPROPRIATE, IN THIS STATE IF:

24 (1) THE APPLICATION IN THE OTHER STATE CONTAINS
25 INFORMATION SUBSTANTIALLY SIMILAR TO, OR MORE COMPREHENSIVE
26 THAN, THAT REQUIRED IN AN APPLICATION SUBMITTED IN THIS STATE;

27 (2) THE APPLICANT PROVIDES THE INFORMATION REQUIRED BY

1 SECTION 12-14.5-206 (1), (3), (10), (12), AND (13);

2 (3) THE APPLICANT, UNDER PENALTY OF FALSE STATEMENT,
3 CERTIFIES THAT THE INFORMATION CONTAINED IN THE APPLICATION IS
4 CURRENT OR, TO THE EXTENT IT IS NOT CURRENT, SUPPLEMENTS THE
5 APPLICATION TO MAKE THE INFORMATION CURRENT; AND

*oath or
affirm*

6 (4) THE APPLICATION IS ACCOMPANIED BY THE ITEMS REQUIRED IN
7 SECTION 12-14.5-205 (b).

8 **12-14.5-213. Bond required.** (a) EXCEPT AS OTHERWISE
9 PROVIDED IN SECTION 12-14.5-214, A PROVIDER THAT IS REQUIRED TO BE
10 REGISTERED UNDER THIS PART 2 SHALL FILE A SURETY BOND WITH THE
11 ADMINISTRATOR, WHICH SHALL:

12 (1) BE IN EFFECT DURING THE PERIOD OF REGISTRATION AND FOR
13 TWO YEARS AFTER THE PROVIDER CEASES PROVIDING DEBT-MANAGEMENT
14 SERVICES TO INDIVIDUALS IN THIS STATE; AND

15 (2) RUN TO THIS STATE FOR THE BENEFIT OF THIS STATE AND OF
16 INDIVIDUALS WHO RESIDE IN THIS STATE WHEN THEY AGREE TO RECEIVE
17 DEBT-MANAGEMENT SERVICES FROM THE PROVIDER, AS THEIR INTERESTS
18 MAY APPEAR.

19 (b) SUBJECT TO ADJUSTMENT OF THE DOLLAR AMOUNT PURSUANT
20 TO SECTION 12-14.5-232 (f), A SURETY BOND FILED PURSUANT TO
21 SUBSECTION (a) OF THIS SECTION SHALL:

22 (1) BE IN THE AMOUNT OF FIFTY THOUSAND DOLLARS OR OTHER
23 LARGER OR SMALLER AMOUNT THAT THE ADMINISTRATOR DETERMINES IS
24 WARRANTED BY THE FINANCIAL CONDITION AND BUSINESS EXPERIENCE OF
25 THE PROVIDER, THE HISTORY OF THE PROVIDER IN PERFORMING
26 DEBT-MANAGEMENT SERVICES, THE RISK TO INDIVIDUALS, AND ANY OTHER
27 FACTOR THE ADMINISTRATOR CONSIDERS APPROPRIATE;

1 (2) BE ISSUED BY A BONDING, SURETY, OR INSURANCE COMPANY
2 AUTHORIZED TO DO BUSINESS IN THIS STATE AND RATED AT LEAST A BY A
3 NATIONALLY RECOGNIZED RATING ORGANIZATION; AND

4 (3) HAVE PAYMENT CONDITIONED UPON NONCOMPLIANCE OF THE
5 PROVIDER OR ITS AGENT WITH THIS PART 2.

6 (c) IF THE PRINCIPAL AMOUNT OF A SURETY BOND IS REDUCED BY
7 PAYMENT OF A CLAIM OR A JUDGMENT, THE PROVIDER SHALL
8 IMMEDIATELY NOTIFY THE ADMINISTRATOR AND, WITHIN THIRTY DAYS
9 AFTER NOTICE BY THE ADMINISTRATOR, FILE A NEW OR ADDITIONAL
10 SURETY BOND IN AN AMOUNT SET BY THE ADMINISTRATOR. THE AMOUNT
11 OF THE NEW OR ADDITIONAL BOND SHALL BE AT LEAST THE AMOUNT OF
12 THE BOND IMMEDIATELY BEFORE PAYMENT OF THE CLAIM OR JUDGMENT.
13 IF FOR ANY REASON A SURETY TERMINATES A BOND, THE PROVIDER SHALL
14 IMMEDIATELY FILE A NEW SURETY BOND IN THE AMOUNT OF FIFTY
15 THOUSAND DOLLARS OR OTHER AMOUNT DETERMINED PURSUANT TO
16 SUBSECTION (b) OF THIS SECTION.

17 (d) THE ADMINISTRATOR OR AN INDIVIDUAL MAY OBTAIN
18 SATISFACTION OUT OF THE SURETY BOND PROCURED PURSUANT TO THIS
19 SECTION IF:

20 (1) THE ADMINISTRATOR ASSESSES EXPENSES UNDER SECTION
21 12-14.5-232 (b) (1), ISSUES A FINAL ORDER UNDER SECTION 12-14.5-233
22 (a) (2), OR RECOVERS A FINAL JUDGMENT UNDER SECTION 12-14.5-233 (a)
23 (4), (a) (5), OR (d); OR

24 (2) AN INDIVIDUAL RECOVERS A FINAL JUDGMENT PURSUANT TO
25 SECTION 12-14.5-235 (a), (b), (c) (1), (c) (2), OR (c) (4).

26 (e) IF CLAIMS AGAINST A SURETY BOND EXCEED OR ARE
27 REASONABLY EXPECTED TO EXCEED THE AMOUNT OF THE BOND, THE

1 ADMINISTRATOR, ON THE INITIATIVE OF THE ADMINISTRATOR OR ON
2 PETITION OF THE SURETY, SHALL, UNLESS THE PROCEEDS ARE ADEQUATE
3 TO PAY ALL COSTS, JUDGMENTS, AND CLAIMS, DISTRIBUTE THE PROCEEDS
4 IN THE FOLLOWING ORDER:

5 (1) TO SATISFACTION OF A FINAL ORDER OR JUDGMENT UNDER
6 SECTION 12-14.5-233 (a) (2), (a) (4), (a) (5), OR (d);

7 (2) TO FINAL JUDGMENTS RECOVERED BY INDIVIDUALS PURSUANT
8 TO SECTION 12-14.5-235 (a), (b), (c) (1), (c) (2), OR (c) (4), PRO RATA;

9 (3) TO CLAIMS OF INDIVIDUALS ESTABLISHED TO THE
10 SATISFACTION OF THE ADMINISTRATOR, PRO RATA; AND

11 (4) IF A FINAL ORDER OR JUDGMENT IS ISSUED UNDER SECTION
12 12-14.5-233 (a), TO THE EXPENSES CHARGED PURSUANT TO SECTION
13 12-14.5-232 (b) (1).

14 **12-14.5-214. Bond required - substitute.** (a) INSTEAD OF THE
15 SURETY BOND REQUIRED BY SECTION 12-14.5-213, A PROVIDER MAY
16 DELIVER TO THE ADMINISTRATOR, IN THE AMOUNT REQUIRED BY SECTION
17 12-14.5-213 (b), AND, EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (2)
18 OF THIS SUBSECTION (a), PAYABLE OR AVAILABLE TO THIS STATE AND TO
19 INDIVIDUALS WHO RESIDE IN THIS STATE WHEN THEY AGREE TO RECEIVE
20 DEBT-MANAGEMENT SERVICES FROM THE PROVIDER, AS THEIR INTERESTS
21 MAY APPEAR, IF THE PROVIDER OR ITS AGENT DOES NOT COMPLY WITH THIS
22 PART 2:

23 (1) A CERTIFICATE OF INSURANCE ISSUED BY AN INSURANCE
24 COMPANY AUTHORIZED TO DO BUSINESS IN THIS STATE AND RATED AT
25 LEAST A BY A NATIONALLY RECOGNIZED RATING ORGANIZATION; OR

26 (2) WITH THE APPROVAL OF THE ADMINISTRATOR, AN
27 IRREVOCABLE LETTER OF CREDIT, ISSUED OR CONFIRMED BY A BANK

1 APPROVED BY THE ADMINISTRATOR, PAYABLE UPON PRESENTATION OF A
2 CERTIFICATE BY THE ADMINISTRATOR STATING THAT THE PROVIDER OR ITS
3 AGENT HAS NOT COMPLIED WITH THIS PART 2.

4 (b) IF A PROVIDER FURNISHES A SUBSTITUTE PURSUANT TO
5 SUBSECTION (a) OF THIS SECTION, THE PROVISIONS OF SECTION
6 12-14.5-213 (a), (c), (d), AND (e) APPLY TO THE SUBSTITUTE.

7 **12-14.5-215. Requirement of good faith.** A PROVIDER SHALL
8 ACT IN GOOD FAITH IN ALL MATTERS UNDER THIS PART 2.

9 **12-14.5-216. Customer service.** A PROVIDER THAT IS REQUIRED
10 TO BE REGISTERED UNDER THIS PART 2 SHALL MAINTAIN A TOLL-FREE
11 COMMUNICATION SYSTEM, STAFFED AT A LEVEL THAT REASONABLY
12 PERMITS AN INDIVIDUAL TO SPEAK TO A CERTIFIED COUNSELOR, CERTIFIED
13 DEBT SPECIALIST, OR CUSTOMER-SERVICE REPRESENTATIVE, AS
14 APPROPRIATE, DURING ORDINARY BUSINESS HOURS.

15 **12-14.5-217. Prerequisites for providing debt-management**
16 **services.** (a) BEFORE PROVIDING DEBT-MANAGEMENT SERVICES, A
17 REGISTERED PROVIDER SHALL GIVE THE INDIVIDUAL AN ITEMIZED LIST OF
18 GOODS AND SERVICES AND THE CHARGES FOR EACH. THE LIST SHALL BE
19 CLEAR AND CONSPICUOUS, BE IN A RECORD THE INDIVIDUAL MAY KEEP
20 WHETHER OR NOT THE INDIVIDUAL ASSENTS TO AN AGREEMENT, AND
21 DESCRIBE THE GOODS AND SERVICES THE PROVIDER OFFERS:

22 (1) FREE OF ADDITIONAL CHARGE IF THE INDIVIDUAL ENTERS INTO
23 AN AGREEMENT;

24 (2) FOR A CHARGE IF THE INDIVIDUAL DOES NOT ENTER INTO AN
25 AGREEMENT; AND

26 (3) FOR A CHARGE IF THE INDIVIDUAL ENTERS INTO AN
27 AGREEMENT, USING THE FOLLOWING TERMINOLOGY, AS APPLICABLE, AND

1 FORMAT:

2 SET-UP FEE _____ DOLLAR AMOUNT OF FEE

3 MONTHLY SERVICE FEE _____ DOLLAR AMOUNT OF FEE

4 OR METHOD OF DETERMINING AMOUNT

5 SETTLEMENT FEE _____ DOLLAR AMOUNT OF FEE

6 OR METHOD OF DETERMINING AMOUNT

7 GOODS AND SERVICES IN ADDITION TO THOSE PROVIDED IN
8 CONNECTION WITH A PLAN:

9 _____

10 (ITEM) DOLLAR AMOUNT OR METHOD OF DETERMINING
11 AMOUNT

12 _____

13 (ITEM) DOLLAR AMOUNT OR METHOD OF DETERMINING
14 AMOUNT.

15 (b) A PROVIDER MAY NOT FURNISH DEBT-MANAGEMENT SERVICES
16 UNLESS THE PROVIDER, THROUGH THE SERVICES OF A CERTIFIED
17 COUNSELOR OR CERTIFIED DEBT SPECIALIST:

18 (1) PROVIDES THE INDIVIDUAL WITH REASONABLE EDUCATION
19 ABOUT THE MANAGEMENT OF PERSONAL FINANCE;

20 (2) HAS PREPARED A FINANCIAL ANALYSIS; AND

21 (3) IF THE INDIVIDUAL IS TO MAKE REGULAR, PERIODIC PAYMENTS:

22 (A) HAS PREPARED A PLAN FOR THE INDIVIDUAL;

23 (B) HAS MADE A DETERMINATION, BASED ON THE PROVIDER'S
24 ANALYSIS OF THE INFORMATION PROVIDED BY THE INDIVIDUAL AND
25 OTHERWISE AVAILABLE TO IT, THAT THE PLAN IS SUITABLE FOR THE
26 INDIVIDUAL AND THE INDIVIDUAL WILL BE ABLE TO MEET THE PAYMENT
27 OBLIGATIONS UNDER THE PLAN; AND

1 (C) BELIEVES THAT EACH CREDITOR OF THE INDIVIDUAL LISTED AS
2 A PARTICIPATING CREDITOR IN THE PLAN WILL ACCEPT PAYMENT OF THE
3 INDIVIDUAL'S DEBTS AS PROVIDED IN THE PLAN.

4 (c) BEFORE AN INDIVIDUAL ASSENTS TO AN AGREEMENT TO
5 ENGAGE IN A PLAN, A PROVIDER SHALL:

6 (1) PROVIDE THE INDIVIDUAL WITH A COPY OF THE ANALYSIS AND
7 PLAN REQUIRED BY SUBSECTION (b) OF THIS SECTION IN A RECORD THAT
8 IDENTIFIES THE PROVIDER AND THAT THE INDIVIDUAL MAY KEEP WHETHER
9 OR NOT THE INDIVIDUAL ASSENTS TO THE AGREEMENT;

10 (2) INFORM THE INDIVIDUAL OF THE AVAILABILITY, AT THE
11 INDIVIDUAL'S OPTION, OF ASSISTANCE BY A TOLL-FREE COMMUNICATION
12 SYSTEM OR IN PERSON TO DISCUSS THE FINANCIAL ANALYSIS AND PLAN
13 REQUIRED BY SUBSECTION (b) OF THIS SECTION; AND

14 (3) WITH RESPECT TO ALL CREDITORS IDENTIFIED BY THE
15 INDIVIDUAL OR OTHERWISE KNOWN BY THE PROVIDER TO BE CREDITORS OF
16 THE INDIVIDUAL, PROVIDE THE INDIVIDUAL WITH A LIST OF:

17 (A) CREDITORS THAT THE PROVIDER EXPECTS TO PARTICIPATE IN
18 THE PLAN AND GRANT CONCESSIONS;

19 (B) CREDITORS THAT THE PROVIDER EXPECTS TO PARTICIPATE IN
20 THE PLAN BUT NOT GRANT CONCESSIONS;

21 (C) CREDITORS THAT THE PROVIDER EXPECTS NOT TO PARTICIPATE
22 IN THE PLAN; AND

23 (D) ALL OTHER CREDITORS.

24 (d) BEFORE AN INDIVIDUAL ASSENTS TO AN AGREEMENT TO
25 ENGAGE IN A PLAN, THE PROVIDER SHALL INFORM THE INDIVIDUAL, IN A
26 RECORD THAT CONTAINS NOTHING ELSE, THAT IS GIVEN SEPARATELY, AND
27 THAT THE INDIVIDUAL MAY KEEP WHETHER OR NOT THE INDIVIDUAL

1 ASSENTS TO THE AGREEMENT:

2 (1) OF THE NAME AND BUSINESS ADDRESS OF THE PROVIDER;

3 (2) THAT PLANS ARE NOT SUITABLE FOR ALL INDIVIDUALS AND THE
4 INDIVIDUAL MAY ASK THE PROVIDER ABOUT OTHER WAYS, INCLUDING
5 BANKRUPTCY, TO DEAL WITH INDEBTEDNESS;

6 (3) THAT ESTABLISHMENT OF A PLAN MAY ADVERSELY AFFECT THE
7 INDIVIDUAL'S CREDIT RATING OR CREDIT SCORES;

8 (4) THAT NONPAYMENT OF DEBT MAY LEAD CREDITORS TO
9 INCREASE FINANCE AND OTHER CHARGES OR UNDERTAKE COLLECTION
10 ACTIVITY, INCLUDING LITIGATION;

11 (5) UNLESS IT IS NOT TRUE, THAT THE PROVIDER MAY RECEIVE
12 COMPENSATION FROM THE CREDITORS OF THE INDIVIDUAL; AND

13 (6) THAT, UNLESS THE INDIVIDUAL IS INSOLVENT, IF A CREDITOR
14 SETTLES FOR LESS THAN THE FULL AMOUNT OF THE DEBT, THE PLAN MAY
15 RESULT IN THE CREATION OF TAXABLE INCOME TO THE INDIVIDUAL, EVEN
16 THOUGH THE INDIVIDUAL DOES NOT RECEIVE ANY MONEY.

17 (e) IF A PROVIDER MAY RECEIVE PAYMENTS FROM AN INDIVIDUAL'S
18 CREDITORS AND THE PLAN CONTEMPLATES THAT THE INDIVIDUAL'S
19 CREDITORS WILL REDUCE FINANCE CHARGES OR FEES FOR LATE PAYMENT,
20 DEFAULT, OR DELINQUENCY, THE PROVIDER MAY COMPLY WITH
21 SUBSECTION (d) OF THIS SECTION BY PROVIDING THE FOLLOWING
22 DISCLOSURE, SURROUNDED BY BLACK LINES:

23 IMPORTANT INFORMATION FOR YOU TO CONSIDER

24 (1) DEBT-MANAGEMENT PLANS ARE NOT RIGHT FOR
25 ALL INDIVIDUALS, AND YOU MAY ASK US TO PROVIDE
26 INFORMATION ABOUT OTHER WAYS, INCLUDING
27 BANKRUPTCY, TO DEAL WITH YOUR DEBTS.

1 (2) USING A DEBT-MANAGEMENT PLAN MAY HURT
2 YOUR CREDIT RATING OR CREDIT SCORES.

3 (3) WE MAY RECEIVE COMPENSATION FOR OUR
4 SERVICES FROM YOUR CREDITORS.

5 _____

6 *NAME AND BUSINESS ADDRESS OF PROVIDER*

7 (f) IF A PROVIDER WILL NOT RECEIVE PAYMENTS FROM AN
8 INDIVIDUAL'S CREDITORS AND THE PLAN CONTEMPLATES THAT THE
9 INDIVIDUAL'S CREDITORS WILL REDUCE FINANCE CHARGES OR FEES FOR
10 LATE PAYMENT, DEFAULT, OR DELINQUENCY, A PROVIDER MAY COMPLY
11 WITH SUBSECTION (d) OF THIS SECTION BY PROVIDING THE FOLLOWING
12 DISCLOSURE, SURROUNDED BY BLACK LINES:

13 IMPORTANT INFORMATION FOR YOU TO CONSIDER

14 (1) DEBT-MANAGEMENT PLANS ARE NOT RIGHT FOR
15 ALL INDIVIDUALS, AND YOU MAY ASK US TO PROVIDE
16 INFORMATION ABOUT OTHER WAYS, INCLUDING
17 BANKRUPTCY, TO DEAL WITH YOUR DEBTS.

18 (2) USING A DEBT-MANAGEMENT PLAN MAY HURT
19 YOUR CREDIT RATING OR CREDIT SCORES.

20 _____

21 *NAME AND BUSINESS ADDRESS OF PROVIDER*

22 (g) IF A PLAN CONTEMPLATES THAT CREDITORS WILL SETTLE DEBTS
23 FOR LESS THAN THE FULL PRINCIPAL AMOUNT OF DEBT OWED, A PROVIDER
24 MAY COMPLY WITH SUBSECTION (d) OF THIS SECTION BY PROVIDING THE
25 FOLLOWING DISCLOSURE, SURROUNDED BY BLACK LINES:

26 IMPORTANT INFORMATION FOR YOU TO CONSIDER

27 (1) OUR PROGRAM IS NOT RIGHT FOR ALL

1 INDIVIDUALS, AND YOU MAY ASK US TO PROVIDE
2 INFORMATION ABOUT BANKRUPTCY AND OTHER WAYS TO
3 DEAL WITH YOUR DEBTS.

4 (2) NONPAYMENT OF YOUR DEBTS UNDER OUR
5 PROGRAM MAY:

- 6 • HURT YOUR CREDIT RATING OR CREDIT SCORES;
- 7 • LEAD YOUR CREDITORS TO INCREASE FINANCE AND OTHER
8 CHARGES; AND
- 9 • LEAD YOUR CREDITORS TO UNDERTAKE ACTIVITY,
10 INCLUDING LAWSUITS, TO COLLECT THE DEBTS.

11 (3) REDUCTION OF DEBT UNDER OUR PROGRAM MAY
12 RESULT IN TAXABLE INCOME TO YOU, EVEN THOUGH YOU
13 WILL NOT ACTUALLY RECEIVE ANY MONEY.

14 _____

15 *NAME AND BUSINESS ADDRESS OF PROVIDER*

16 (17) **12-14.5-218. Communication by electronic or other means.**

17 (a) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
18 REQUIRES:

19 (1) "CONSUMER" MEANS AN INDIVIDUAL WHO SEEKS OR OBTAINS
20 GOODS OR SERVICES THAT ARE USED PRIMARILY FOR PERSONAL, FAMILY,
21 OR HOUSEHOLD PURPOSES.

22 (2) "FEDERAL ACT" MEANS THE FEDERAL "ELECTRONIC
23 SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT", 15 U.S.C. SEC.
24 7001 ET SEQ., AS AMENDED.

25 (b) A PROVIDER MAY SATISFY THE REQUIREMENTS OF SECTION
26 12-14.5-217, 12-14.5-219, OR 12-14.5-227 BY MEANS OF THE INTERNET OR
27 OTHER ELECTRONIC MEANS IF THE PROVIDER OBTAINS A CONSUMER'S

1 CONSENT IN THE MANNER PROVIDED BY SECTION 101 (c) (1) OF THE
2 FEDERAL ACT.

3 (c) THE DISCLOSURES AND MATERIALS REQUIRED BY SECTIONS
4 12-14.5-217, 12-14.5-219, AND 12-14.5-227 SHALL BE PRESENTED IN A
5 FORM THAT IS CAPABLE OF BEING ACCURATELY REPRODUCED FOR LATER
6 REFERENCE.

7 (d) WITH RESPECT TO DISCLOSURE BY MEANS OF AN INTERNET WEB
8 SITE, THE DISCLOSURE OF THE INFORMATION REQUIRED BY SECTION
9 12-14.5-217 (d) SHALL APPEAR ON ONE OR MORE SCREENS THAT:

10 (1) CONTAIN NO OTHER INFORMATION; AND

11 (2) THE INDIVIDUAL MUST SEE BEFORE PROCEEDING TO ASSENT TO
12 FORMATION OF A PLAN.

13 (e) AT THE TIME OF PROVIDING THE MATERIALS AND AGREEMENT
14 REQUIRED BY SECTIONS 12-14.5-217 (c) AND (d), 12-14.5-219, AND
15 12-14.5-227, A PROVIDER SHALL INFORM THE INDIVIDUAL THAT UPON
16 ELECTRONIC, TELEPHONIC, OR WRITTEN REQUEST, IT WILL SEND THE
17 INDIVIDUAL A WRITTEN COPY OF THE MATERIALS, AND SHALL COMPLY
18 WITH A REQUEST AS PROVIDED IN SUBSECTION (f) OF THIS SECTION.

19 (f) IF A PROVIDER IS REQUESTED, BEFORE THE EXPIRATION OF
20 NINETY DAYS AFTER A PLAN IS COMPLETED OR TERMINATED, TO SEND A
21 WRITTEN COPY OF THE MATERIALS REQUIRED BY SECTION 12-14.5-217 (c)
22 AND (d), 12-14.5-219, OR 12-14.5-227, THE PROVIDER SHALL SEND THEM
23 AT NO CHARGE WITHIN THREE BUSINESS DAYS AFTER THE REQUEST, BUT
24 THE PROVIDER NEED NOT COMPLY WITH A REQUEST MORE THAN ONCE PER
25 CALENDAR MONTH OR IF IT REASONABLY BELIEVES THE REQUEST IS MADE
26 FOR PURPOSES OF HARASSMENT. IF A REQUEST IS MADE MORE THAN
27 NINETY DAYS AFTER A PLAN IS COMPLETED OR TERMINATED, THE

1 PROVIDER SHALL SEND WITHIN A REASONABLE TIME A WRITTEN COPY OF
2 THE MATERIALS REQUESTED.

3 (g) A PROVIDER THAT MAINTAINS AN INTERNET WEB SITE SHALL
4 DISCLOSE ON THE HOME PAGE OF ITS WEB SITE OR ON A PAGE THAT IS
5 CLEARLY AND CONSPICUOUSLY CONNECTED TO THE HOME PAGE BY A LINK
6 THAT CLEARLY REVEALS ITS CONTENTS:

7 (1) ITS NAME AND ALL NAMES UNDER WHICH IT DOES BUSINESS;

8 (2) ITS PRINCIPAL BUSINESS ADDRESS, TELEPHONE NUMBER, AND
9 ELECTRONIC MAIL ADDRESS, IF ANY; AND

10 (3) THE NAMES OF ITS PRINCIPAL OFFICERS.

11 (h) SUBJECT TO SUBSECTION (i) OF THIS SECTION, IF A CONSUMER
12 WHO HAS CONSENTED TO ELECTRONIC COMMUNICATION IN THE MANNER
13 PROVIDED BY SECTION 101 OF THE FEDERAL ACT WITHDRAWS CONSENT AS
14 PROVIDED IN THE FEDERAL ACT, A PROVIDER MAY TERMINATE ITS
15 AGREEMENT WITH THE CONSUMER.

16 (i) IF A PROVIDER WISHES TO TERMINATE AN AGREEMENT WITH A
17 CONSUMER PURSUANT TO SUBSECTION (h) OF THIS SECTION, IT SHALL
18 NOTIFY THE CONSUMER THAT IT WILL TERMINATE THE AGREEMENT UNLESS
19 THE CONSUMER, WITHIN THIRTY DAYS AFTER RECEIVING THE
20 NOTIFICATION, CONSENTS TO ELECTRONIC COMMUNICATION IN THE
21 MANNER PROVIDED IN SECTION 101 (c) OF THE FEDERAL ACT. IF THE
22 CONSUMER CONSENTS, THE PROVIDER MAY TERMINATE THE AGREEMENT
23 ONLY AS PERMITTED BY SECTION 12-14.5-219 (a) (6) (G).

24 (16) **12-14.5-219. Form and contents of agreement.** (a) AN
25 AGREEMENT SHALL:

26 (1) BE IN A RECORD;

27 (2) BE DATED AND SIGNED BY THE PROVIDER AND THE INDIVIDUAL;

1 (3) INCLUDE THE NAME OF THE INDIVIDUAL AND THE ADDRESS
2 WHERE THE INDIVIDUAL RESIDES;

3 (4) INCLUDE THE NAME, BUSINESS ADDRESS, AND TELEPHONE
4 NUMBER OF THE PROVIDER;

5 (5) BE DELIVERED TO THE INDIVIDUAL IMMEDIATELY UPON
6 FORMATION OF THE AGREEMENT; AND

7 (6) DISCLOSE:

8 (A) THE SERVICES TO BE PROVIDED;

9 (B) THE AMOUNT, OR METHOD OF DETERMINING THE AMOUNT, OF
10 ALL FEES, INDIVIDUALLY ITEMIZED, TO BE PAID BY THE INDIVIDUAL;

11 (C) THE SCHEDULE OF PAYMENTS TO BE MADE BY OR ON BEHALF
12 OF THE INDIVIDUAL, INCLUDING THE AMOUNT OF EACH PAYMENT, THE
13 DATE ON WHICH EACH PAYMENT IS DUE, AND AN ESTIMATE OF THE DATE
14 OF THE FINAL PAYMENT;

15 (D) IF A PLAN PROVIDES FOR REGULAR PERIODIC PAYMENTS TO
16 CREDITORS:

17 (i) EACH CREDITOR OF THE INDIVIDUAL TO WHICH PAYMENT WILL
18 BE MADE, THE AMOUNT OWED TO EACH CREDITOR, AND ANY CONCESSIONS
19 THE PROVIDER REASONABLY BELIEVES EACH CREDITOR WILL OFFER; AND

20 (ii) THE SCHEDULE OF EXPECTED PAYMENTS TO EACH CREDITOR,
21 INCLUDING THE AMOUNT OF EACH PAYMENT AND THE DATE ON WHICH IT
22 WILL BE MADE;

23 (E) IF THE PROVIDER HOLDS MONEY ON BEHALF OF THE DEBTOR,
24 EACH CREDITOR THAT THE PROVIDER BELIEVES WILL NOT PARTICIPATE IN
25 THE PLAN AND TO WHICH THE PROVIDER WILL NOT DIRECT PAYMENT;

26 (F) HOW THE PROVIDER WILL COMPLY WITH ITS OBLIGATIONS
27 UNDER SECTION 12-14.5-227 (a);

*are the other
↓ components
(hold money
on behalf)*

↑
add

1 (G) IF THE PROVIDER HOLDS MONEY ON BEHALF OF THE DEBTOR,
2 THAT THE PROVIDER MAY TERMINATE THE AGREEMENT FOR GOOD CAUSE,
3 UPON RETURN OF UNEXPENDED MONEY OF THE INDIVIDUAL;

4 (H) THAT THE INDIVIDUAL MAY CANCEL THE AGREEMENT AS
5 PROVIDED IN SECTION 12-14.5-220;

6 (I) THAT THE INDIVIDUAL MAY CONTACT THE ADMINISTRATOR
7 WITH ANY QUESTIONS OR COMPLAINTS REGARDING THE PROVIDER; AND

8 (J) THE ADDRESS, TELEPHONE NUMBER, AND INTERNET ADDRESS
9 OR WEB SITE OF THE ADMINISTRATOR.

10 (b) FOR PURPOSES OF PARAGRAPH (5) OF SUBSECTION (a) OF THIS
11 SECTION, DELIVERY OF AN ELECTRONIC RECORD OCCURS WHEN IT IS MADE
12 AVAILABLE IN A FORMAT IN WHICH THE INDIVIDUAL MAY RETRIEVE, SAVE,
13 AND PRINT IT, AND THE INDIVIDUAL IS NOTIFIED THAT IT IS AVAILABLE.

14 (c) IF THE ADMINISTRATOR SUPPLIES THE PROVIDER WITH ANY
15 INFORMATION REQUIRED UNDER SUBPARAGRAPH (J) OF PARAGRAPH (6) OF
16 SUBSECTION (a) OF THIS SECTION, THE PROVIDER MAY COMPLY WITH THAT
17 REQUIREMENT ONLY BY DISCLOSING THE INFORMATION SUPPLIED BY THE
18 ADMINISTRATOR.

19 (d) AN AGREEMENT SHALL PROVIDE THAT:

20 (1) THE INDIVIDUAL HAS A RIGHT TO TERMINATE THE AGREEMENT
21 AT ANY TIME, WITHOUT PENALTY OR OBLIGATION, BY GIVING THE
22 PROVIDER WRITTEN OR ELECTRONIC NOTICE, IN WHICH EVENT:

23 (A) THE PROVIDER WILL REFUND ALL UNEXPENDED MONEY THAT
24 THE PROVIDER OR ITS AGENT HAS RECEIVED FROM OR ON BEHALF OF THE
25 INDIVIDUAL FOR THE REDUCTION OR SATISFACTION OF THE INDIVIDUAL'S
26 DEBT;

27 (B) WITH RESPECT TO AN AGREEMENT THAT CONTEMPLATES THAT

1 CREDITORS WILL SETTLE DEBTS FOR LESS THAN THE PRINCIPAL AMOUNT OF
2 DEBT, THE PROVIDER WILL REFUND SIXTY-FIVE PERCENT OF ANY PORTION
3 OF THE SET-UP FEE THAT HAS NOT BEEN CREDITED AGAINST THE
4 SETTLEMENT FEE; AND

5 (C) ALL POWERS OF ATTORNEY GRANTED BY THE INDIVIDUAL TO
6 THE PROVIDER ARE REVOKED AND INEFFECTIVE;

7 (2) THE INDIVIDUAL AUTHORIZES ANY BANK IN WHICH THE
8 PROVIDER OR ITS AGENT HAS ESTABLISHED A TRUST ACCOUNT TO
9 DISCLOSE TO THE ADMINISTRATOR ANY FINANCIAL RECORDS RELATING TO
10 THE TRUST ACCOUNT; AND

11 (3) THE PROVIDER WILL NOTIFY THE INDIVIDUAL WITHIN FIVE DAYS
12 AFTER LEARNING OF A CREDITOR'S DECISION TO REJECT OR WITHDRAW
13 FROM A PLAN AND THAT THIS NOTICE WILL INCLUDE:

14 (A) THE IDENTITY OF THE CREDITOR; AND

15 (B) THE RIGHT OF THE INDIVIDUAL TO MODIFY OR TERMINATE THE
16 AGREEMENT.

17 (e) AN AGREEMENT MAY CONFER ON A PROVIDER A POWER OF
18 ATTORNEY TO SETTLE THE INDIVIDUAL'S DEBT FOR NO MORE THAN FIFTY
19 PERCENT OF THE ACTUAL BALANCE OF THE DEBT OWED AT THE TIME OF
20 SETTLEMENT. AN AGREEMENT MAY NOT CONFER A POWER OF ATTORNEY
21 TO SETTLE A DEBT FOR MORE THAN FIFTY PERCENT OF THAT AMOUNT, BUT
22 MAY CONFER A POWER OF ATTORNEY TO NEGOTIATE WITH CREDITORS OF
23 THE INDIVIDUAL ON BEHALF OF THE INDIVIDUAL. AN AGREEMENT SHALL
24 PROVIDE THAT THE PROVIDER WILL OBTAIN THE ASSENT OF THE
25 INDIVIDUAL AFTER A CREDITOR HAS ASSENTED TO A SETTLEMENT FOR
26 MORE THAN FIFTY PERCENT OF THE ACTUAL BALANCE OF THE DEBT OWED
27 AT THE TIME OF SETTLEMENT.

principal amt of the debt

principal amt of the debt