

SB0367/923329/1

BY: Senator Lenett

AMENDMENTS TO SENATE BILL 367
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 8, after “license;” insert “altering the information that must be included in a certain annual report to the Commissioner of Financial Regulation; altering the records that must be preserved by a licensee;”; in line 13, strike “and”; and in the same line, after “12-916(a)(1)” insert “, 12-921(a), and 12-922(a)”.

AMENDMENT NO. 2

On page 2, in line 19, strike “seeks” and substitute “:

(1) SEEKS;

and in line 20, after “consumers” insert “**REGARDING PERSONAL FINANCE, BUDGETING, AND CREDIT AND DEBT MANAGEMENT; AND**

(2) PROVIDES COUNSELING TAILORED TO THE NEEDS AND CIRCUMSTANCES OF THE CONSUMER WITH REGARD TO OPTIONS AND STRATEGIES FOR ADDRESSING THE CONSUMER’S DEBT PROBLEMS, INCLUDING:

(I) CREATING AND MAINTAINING A BUDGET;

(II) ESTABLISHING DEBT MANAGEMENT PAYMENT PLANS WITH CREDITORS;

(III) NEGOTIATING DIRECTLY WITH CREDITORS ON PAYMENT OR INTEREST RATE RELIEF; AND

(Over)

(IV) FILING FOR BANKRUPTCY

On page 6, in line 3, after “(i)” insert “1.”; and in line 4, after “program;” insert:

“2. THE LICENSEE PROVIDES THE CONSUMER WITH A WRITTEN SUMMARY OF THE COUNSELING OPTIONS AND STRATEGIES FOR ADDRESSING THE CONSUMER’S DEBT PROBLEMS DEVELOPED UNDER § 12-901(E)(2) OF THIS SUBTITLE; AND

3. THE CONSUMER SIGNS AN ACKNOWLEDGMENT STATING THAT THE CONSUMER HAS REVIEWED THE WRITTEN SUMMARY AND HAS DECIDED TO PROCEED WITH ENTERING INTO A DEBT MANAGEMENT SERVICES AGREEMENT WITH THE LICENSEE;”

On page 7, after line 20, insert:

“12-921.

(a) (1) On or before April 30 of each year, a licensee shall report to the Commissioner on the debt management services business of the licensee conducted during the preceding calendar year.

(2) The annual report shall be on the form that the Commissioner requires.

(3) The report shall include:

(i) An audited financial statement that is prepared in accordance with generally accepted accounting principles and includes a balance sheet, income statement, statement of changes in fund balances, and statement of cash flow;

(ii) An alphabetical list of all debt management counselors who provided services for the licensee during the previous calendar year;

(iii) The number of consumers for whom the licensee provided debt management services under a debt management services agreement during the preceding calendar year;

(iv) The number of consumers who signed new debt management services agreements with the licensee during the preceding calendar year;

(v) The highest number of consumers for whom the licensee provided debt management services under a debt management services agreement during any month in the preceding calendar year; [and]

(vi) The amounts paid by consumers to the licensee, both in total and for each month, during the preceding calendar year, broken down by:

1. Payments to be disbursed to creditors; and
2. Payments for the licensee's services;

(VII) THE PERCENTAGE OF ALL CONSUMERS WHO RECEIVED A CONSUMER EDUCATION PROGRAM AND SUBSEQUENTLY EXECUTED A DEBT MANAGEMENT SERVICES AGREEMENT DURING THE PRECEDING CALENDAR YEAR; AND

(VIII) A REPRESENTATIVE SAMPLE OF THE WRITTEN SUMMARY REQUIRED UNDER § 12-916(A)(1)(I)2 OF THIS SUBTITLE.

12-922.

(a) To enable the Commissioner to determine compliance with this subtitle, a licensee shall make and preserve the following books, accounts, and records for a period of at least 7 years:

- (1) A general ledger containing all assets, liability, capital, income, and expense accounts;
- (2) Each debt management services agreement between the licensee and a consumer;

(Over)

(3) Books and records for each consumer with whom the licensee has a debt management services agreement; [and]

(4) Bank statements and bank reconciliation records;

(5) A COPY OF EACH WRITTEN SUMMARY REQUIRED UNDER § 12-916(A)(1)(I)2 OF THIS SUBTITLE; AND

(6) A COPY OF EACH SIGNED ACKNOWLEDGMENT REQUIRED UNDER § 12-916(A)(1)(I)3 OF THIS SUBTITLE.”.