

**SB0741/367179/1**

BY: Finance Committee

AMENDMENTS TO SENATE BILL 741  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 30, after “Commissioner” insert “, on the form the Commissioner requires,”.

On page 2, in line 7, after “changes;” insert “requiring a registrant to report certain information to the Commissioner on or before a certain date each year for a certain number of years;”.

AMENDMENT NO. 2

On page 5, in line 6, after “AGREEMENT” insert “IN CONNECTION WITH DEBTS THAT ARE CONSUMER DEBTS, AS DEFINED IN § 13-101 OF THE COMMERCIAL LAW ARTICLE”.

On page 7, strike beginning with “PRACTICE” in line 4 down through “SERVICES” in line 6 and substitute “THE MARYLAND BAR WHILE THE ATTORNEY AT LAW IS PROVIDING PROFESSIONAL LEGAL SERVICES IN AN ATTORNEY-CLIENT RELATIONSHIP”.

On page 8, in line 4, after “(4)” insert “(I)”; in lines 6 and 7, strike “(I)” and “(II)”, respectively, and substitute “1.” and “2.”, respectively; and after line 8, insert

“(II) AN EMPLOYEE OF A MORTGAGE LENDER; OR”.

On page 13, in line 11, strike “TO BE SETTLED UNDER” and substitute “INCLUDED IN”; and in lines 14 and 15, strike “TO BE SETTLED UNDER” and substitute “INCLUDED IN”.

(Over)

On page 15, in line 13, strike “(I)”; in the same line, strike “\$10,000” and substitute “\$50,000”; strike beginning with “AND” in line 14 down through the semicolon in line 18; in line 19, strike “ISSUED” and substitute “BE ISSUED”; and in line 21, strike “CONDITIONED” and substitute “BE CONDITIONED”.

AMENDMENT NO. 3

On pages 11 and 12, strike in their entirety the lines beginning with line 29 on page 11 through line 10 on page 12, inclusive, and substitute:

**“(E) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, FOR EACH INDIVIDUAL DEBT, A DEBT SETTLEMENT SERVICES FEE SHALL:**

**(I) BEAR THE SAME PROPORTIONAL RELATIONSHIP TO THE DEBT SETTLEMENT SERVICES FEE FOR SETTLING THE TOTAL DEBT AS THE INDIVIDUAL DEBT AMOUNT BEARS TO THE TOTAL DEBT; OR**

**(II) BE CALCULATED AS A PERCENTAGE OF THE DIFFERENCE BETWEEN THE PRINCIPAL AMOUNT OF THE DEBT AND THE AMOUNT PAID TO THE CREDITOR OR DEBT COLLECTOR TO SETTLE THE DEBT.**

**(2) THE PERCENTAGE CHARGED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION SHALL BE THE SAME FOR EACH INDIVIDUAL DEBT.**

**(3) THE TOTAL DEBT SETTLEMENT SERVICES FEES CHARGED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED 25% OF THE TOTAL PRINCIPAL AMOUNT OF THE DEBT.”**

AMENDMENT NO. 4

On page 16, after line 11, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before April 30 of each year beginning with April 30, 2012, and ending with April 30, 2015, each debt settlement services provider that is registered with the Commissioner of Financial Regulation, as required under Section 1 of this Act, shall report to the Commissioner on the debt settlement services business the registrant conducted during the preceding calendar year.

(b) The report required under subsection (a) of this section shall include:

(1) for each consumer in Maryland for whom the registrant provided debt settlement services during the reporting period:

(i) the number of debts included in the debt settlement services agreement with the consumer;

(ii) the principal amount of each debt at the time the debt settlement services agreement was signed;

(iii) whether each debt is active, terminated, or settled;

(iv) if a debt has been settled, the settlement amount of the debt;

(v) the total amount of fees paid by the consumer to the registrant;

(vi) for each debt, whether the creditor has filed suit on the debt;

(vii) the date the consumer is expected to complete the debt settlement program; and

(Over)

(viii) the date the consumer became inactive in, cancelled, or terminated the debt settlement program, if applicable;

(2) for Maryland consumers who completed a debt settlement program during the reporting period, the mean and median percentage of savings to the consumers and the mean and median percentage of fees paid to the registrant;

(3) for Maryland consumers who became inactive in, cancelled, or terminated a debt settlement program during the reporting period, the mean and median percentage of savings to the consumers and the mean and median percentage of fees paid to the registrant;

(4) the percentage of Maryland consumers who became inactive in, cancelled, or terminated a debt settlement program during the reporting period without settlement of all of the consumer's debts; and

(5) the total amount of fees collected from Maryland consumers during the reporting period.”;

in lines 12 and 21, strike “2.” and “3.”, respectively and substitute “3.” and “4.”, respectively; in line 13, strike “2012” and substitute “2014”; in line 18, after “including” insert “:

(1)”;

and in line 20, after “providers” insert “; and

(2) whether the calculation of and cap on debt settlement services fees, as provided under § 12-1010(e) of the Financial Institutions Article, as enacted by Section 1 of this Act, should be altered in a way that would be more beneficial to consumers and fair to the debt settlement services industry”.