
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1056 (Substitute S-2 as reported)
Sponsor: Senator Michael J. Bouchard
Committee: Financial Services

CONTENT

The bill would amend the Debt Management Act to do the following:

- Increase the maximum term of a contract between a licensee and a client from 24 to 60 months.
- Provide for the waiver of additional surety bonds if an applicant for licensure had more than 10 offices.
- Provide for electronic record-keeping, and specify that trust accounts could be reconciled electronically or by other methods.
- Require licensees annually to verify payments to selected creditor accounts and review certain items.
- Provide that a client's fee would have to be returned if 51% of the creditors did not approve a debt management plan.
- Provide that a creditor's consent to a debt management plan could be sought by telephone, facsimile, electronic mail, or first-class mail.
- Allow a licensee to charge a fee for providing advice or materials or making a referral.
- Delete the authority of an exempted person to charge fees for debt management services.
- Include limited liability companies under the Act.

MCL 451.412 et al.

Legislative Analyst: S. Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 5-11-98

Fiscal Analyst: M. Tyszkiewicz