

# Legislative Analysis



## DEBT MANAGEMENT ACT REPEALER

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 6190 as introduced**  
**Sponsor: Rep. Ann M. Bollin**  
**Committee: Oversight**  
**Complete to 6-15-22**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 6190 would repeal section 9 of the Debt Management Act, which regulates debt management businesses (which enter into contracts with debtors to manage the payment of their financial obligations). The act prescribes requirements for debt management contracts, permissible fees, and standards for the licensure of debt management businesses, and prohibits certain activities and practices.

Section 9 of the act currently allows the director of the Department of Insurance and Financial Services (DIFS) to deny, revoke, suspend, or postpone a license issued or applied for under the act for any of the following:

- Conviction of a felony or a misdemeanor involving moral turpitude.
- Violating provisions of the act or departmental rules, or any order or condition of license.
- Fraud or deceit in obtaining a license.
- Indulging in dishonest or unethical conduct.
- Insolvency—either in that the licensee's or applicant's liabilities exceed its assets or the licensee cannot pay its debts as they mature, or the licensee files in bankruptcy, receivership, or assignment for the benefit of creditors.
- Failure to reasonably supervise agents or employees.

Section 9 also requires DIFS to give notice to the licensee of the facts or conduct warranting the intended action, and provides the licensee an opportunity to show compliance and retain the license. Further, if DIFS finds that the public health, safety, or welfare requires emergency action, section 9 allows a summary suspension of a license.

MCL 451.419

### FISCAL IMPACT:

House Bill 6190 would not have an appreciable fiscal impact on the Department of Insurance and Financial Services, given the limited number of instances to which the existing law applies.

Legislative Analyst: Susan Stutzky  
Fiscal Analyst: Marcus Coffin

---

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.