

OCCUPATIONAL CODE (EXCERPT)
Act 299 of 1980

339.907 Corporate surety or cash bond; action on bond; aggregate liability; cancellation of bond.

Sec. 907. The department shall require a collection agency to file and maintain in force for each license a corporate surety or a cash bond conditioned upon the faithful accounting of all money collected upon accounts entrusted to the collection agency in a form prescribed by the department in a sum the department considers necessary, but for not less than \$5,000.00 nor more than \$50,000.00. The bond shall be for the benefit of a person damaged by the wrongful taking of money collected by the agency or failure of the collection agency to report or remit proceeds of collections made. A person injured may bring an action upon the bond. The aggregate liability to all injured persons shall not exceed the sum of the bond. The surety on the bond shall have the right to cancel the bond upon giving 30 days' written notice to the department and after that date shall be relieved of liability for a breach of condition occurring after the effective date of the cancellation. An action on a bond shall not be commenced after the expiration of 1 year from the effective date of cancellation of the bond.

History: 1980, Act 299, Imd. Eff. Oct. 21, 1980;—Am. 1981, Act 83, Imd. Eff. July 1, 1981.

Popular name: Act 299