

**DEBT MANAGEMENT ACT (EXCERPT)**  
**Act 148 of 1975**

**451.422 Budget analysis.**

Sec. 12. (1) A licensee may enter into a contract or agreement to provide debt management services to a debtor only if the licensee has conducted a written and thorough budget analysis of the debtor and made a determination, based on the analysis of the information provided by the debtor or otherwise available to the licensee, that a debt management plan is a suitable solution for the debtor and that the debtor will be able to meet the payment obligations under the plan. If the licensee determines that a plan is suitable for a debtor whose current monthly expense and debt payments exceed the debtor's net income, the licensee must establish a written plan outlining how the debtor will meet the payment obligations under the plan before entering into a contract or agreement to provide debt management services to the debtor.

(2) A budget analysis described in subsection (1) shall contain all of the following information about the debtor:

(a) Name and address.

(b) Number of dependents.

(c) Amount of all employment compensation, payments from government programs, child support and alimony payments, and other income and the debtor's net monthly income. Except as provided in this subdivision, a debtor is only required to provide information to a licensee about the amount of his or her income and is not required to provide any information about the source of that income.

(d) Monthly home mortgage or rental payment, if any. If the home mortgage payment does not include an escrow for real estate taxes, the budget analysis shall contain an estimate of the annual amount of the real estate taxes on the property, if the amount is available from the debtor or public source.

(e) Type and amount of all of the debtor's obligations included in the debt management plan, including, but not limited to, a description of and amount owed for any outstanding garnishments and judgments, and the type and amount of the debtor's obligations that are known to the debtor and are not included in the debt management plan.

(f) Amount of household expenses, including, but not limited to, expenses for food, utilities, vehicles, insurance, and other living expenses.

(g) A list of the creditors to which payments will be made under the plan.

**History:** 1975, Act 148, Eff. Mar. 31, 1976;—Am. 2000, Act 255, Imd. Eff. June 29, 2000;—Am. 2014, Act 362, Eff. Mar. 16, 2015.

**Compiler's note:** For transfer of statutory authority, powers, duties, and functions of the corporations, securities and land development bureau to the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.