339.909 Separate trust account; maintenance by collection agency; designation as trust account; disbursements and withdrawals.

Sec. 909. (1) A collection agency shall maintain a separate trust account in which all money collected under this article by the collection agency shall be deposited within 3 banking days after receipt. The trust account shall be established in 1 of the following institutions:

(a) A state or nationally chartered bank.
(b) A state or federally chartered savings and loan association or savings bank.
(c) A state or federally chartered credit union.

(2) A collection agency that is located in this state shall maintain its trust account in this state. A collection agency that is located in any other state may maintain its trust account in this state or in the state in which the collection agency is located provided that the account is maintained solely for money collected under this article.

(3) The trust account shall be identified and distinguished from the collection agency's personal or general checking or other depository account and shall be designated as a trust account. The trust account shall always contain sufficient funds to pay money due or owing to the client less money owed to the licensee by the client. Except as provided in this section, a disbursement may not be made from the account except to a client for money owed to the client or to pay costs advanced for a client. Periodically, the collection agency may withdraw from the trust account money that has accrued to the collection agency from a collection deposited or from an adjustment resulting from costs advanced and payments made directly to clients.


Popular name: Act 299