

# SENATE BILL No. 960

December 6, 2007, Introduced by Senators HUNTER, CLARKE, OLSHOVE, SCOTT, BRATER, BASHAM and CLARK-COLEMAN and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1994 PA 160, entitled  
"Credit services protection act,"  
by amending section 2 (MCL 445.1822).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2. As used in this act:

2       (a) "Buyer" means a person who is solicited to purchase or who  
3 purchases the services of a credit services organization.

4       (b) "Credit services organization" means, except as otherwise  
5 provided in subdivision (c), a person who ~~—~~in return for  
6 consideration ~~—~~attempts to sell, provide, or perform 1 or more of  
7 the following:

8       (i) The improvement of a person's credit record, history, or  
9 rating.

10       (ii) The obtainment of an extension of credit.

1           (iii) Advice or assistance regarding the improvement or repair  
2 of a person's credit record, history, or rating.

3           (iv) Advice or assistance regarding the obtainment of an  
4 extension of credit.

5           (v) Advice or assistance regarding foreclosure of a real  
6 estate mortgage.

7 ~~(vi) Serve as an intermediate between a debtor and a creditor~~  
8 ~~on behalf of the debtor regarding credit that was extended prior to~~  
9 ~~any agreement to have the credit services organization serve as an~~  
10 ~~intermediate.~~

11           (c) Credit services organization does not include any of the  
12 following:

13           (i) A person ~~who~~ **THAT** is licensed in this state or otherwise  
14 authorized to make loans or extend credit under any state statute  
15 while engaged in the regular course of business under that state  
16 statute, other than ~~Act No. 326 of the Public Acts of 1966, being~~  
17 ~~sections 438.31 to 438.33 of the Michigan Compiled Laws 1966 PA~~  
18 **326, MCL 438.31 TO 438.33.**

19           (ii) A federal or state chartered bank, credit union, savings  
20 bank, or savings and loan institution, an entity of the federally  
21 chartered farm credit system, or ~~any solely~~ **THEIR WHOLLY** owned  
22 ~~subsidiary thereof~~ **SUBSIDIARIES.**

23           (iii) A person licensed under the occupational code, ~~Act No. 299~~  
24 ~~of the Public Acts of 1980, being sections 339.101 to 339.2721 of~~  
25 ~~the Michigan Compiled Laws 1980 PA 299, MCL 339.101 TO 339.2919,~~  
26 when engaged in the regular course of business.

27           (iv) A person licensed to practice law in this state if the

1 person renders services within the course of that person's practice  
2 as an attorney and does not engage in the business of a credit  
3 services organization on a regular and continuing basis.

4 (v) A judicial officer or other person acting under court  
5 order.

6 (vi) A consumer reporting agency, as defined in section 603 of  
7 the fair credit reporting act, ~~title VI of the consumer credit~~  
8 ~~protection act, Public Law 90-321, 15 U.S.C. USC~~ 1681a, while  
9 engaged in the regular course of the credit reporting business.

10 (vii) A **PERSON LICENSED TO PERFORM** debt management ~~business~~  
11 ~~licensed-SERVICES~~ under the debt management act, ~~Act No. 148 of the~~  
12 ~~Public Acts of 1975, being sections 451.411 to 451.437 of the~~  
13 ~~Michigan Compiled Laws 1975 PA 148, MCL 451.411 TO 451.437,~~ while  
14 engaged in the regular course of business under ~~the debt management~~  
15 **THAT** act.

16 (viii) An investment adviser or broker-dealer registered under  
17 the uniform securities act, ~~Act No. 265 of the Public Acts of 1964,~~  
18 ~~being sections 451.501 to 451.818 of the Michigan Compiled Laws~~  
19 **1964 PA 265, MCL 451.501 TO 451.818.**

20 (ix) A nonprofit corporation that is exempt from taxation under  
21 section 501c(3) of the ~~United States~~ internal revenue code, ~~title~~  
22 ~~26 U.S.C. 501c(3) USC~~ **501C.**

23 (x) A finance subsidiary of a manufacturing corporation.

24 (xi) A **PROVIDER OF DEBT SETTLEMENT SERVICES UNDER THE DEBT**  
25 **SETTLEMENT SERVICES ACT WHILE ENGAGED IN THE REGULAR COURSE OF**  
26 **BUSINESS UNDER THAT ACT.**

27 (d) "Extension of credit" means the right to defer payment of

1 debt or to incur debt.

2 (e) "Person" means an individual, partnership, corporation,  
3 **LIMITED LIABILITY COMPANY**, association, or other legal entity.

4 Enacting section 1. This amendatory act does not take effect  
5 unless Senate Bill No. 959

6 of the 94th Legislature is enacted into law.