A bill to amend 1980 PA 299, entitled "Occupational code,"
by amending section 901 (MCL 339.901), as amended by 2016 PA 167,
and by adding section 915b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 901. (1) As used in this article:

2 (a) "Claim" or "debt" means an obligation or alleged

3 obligation for the payment of money or thing of value arising out

4 of an expressed or implied agreement or contract for a purchase
made primarily for personal, family, or household purposes.

(b) "Collection agency" means, except as otherwise provided in this subdivision, a person that is directly engaged in collecting or attempting to collect a claim that has been purchased by or assigned or transferred to the person, or a claim that is owed or due or asserted to be owed or due to another person. Collection agency includes, subject to subsection (2), a person that is directly engaged in repossessing or attempting to repossess a thing of value owed or due or asserted to be owed or due to another person arising out of an expressed or implied agreement. Collection agency includes an individual who, in the course of collecting, repossessing, or attempting to collect or repossess, represents himself or herself as a collection or repossession agency, or a person that performs collection activities that are regulated under this article on behalf of another person. Collection agency also includes a person that furnishes or attempts to furnish a form or a written demand service represented to be a collection or repossession technique, device, or system to be used to collect or repossess claims, if the form contains the name of a person other than the creditor in a manner that indicates that a request or demand for payment is being made by a person other than the creditor even though the form directs the debtor to make payment directly to the creditor rather than to the other person whose name appears on the form. Collection agency also includes a person that uses a fictitious name or the name of another person in the collection or repossession of claims to convey to the debtor that a third person is collecting or repossessing or has been employed to collect or repossess the claim. Collection agency does not include a person whose collection activities are confined and
are directly related to the operation of a business other than that of a collection agency such as, but not limited to, the following:

(i) A regular employee who collects amounts for one employer if all collection efforts are carried on in the name of the employer.

(ii) A state or nationally chartered bank that collects its own claims.

(iii) A trust company that collects its own claims.

(iv) A state or federally chartered savings and loan association that collects its own claims.

(v) A state or federally chartered credit union that collects its own claims.

(vi) A licensee under the regulatory loan act, 1939 PA 21, MCL 493.1 to 493.24.

(vii) A business that is licensed by this state under a regulatory act that regulates collection activity.

(viii) An abstract company that is engaged in an escrow business.

(ix) A licensed real estate broker or salesperson if the claims the broker or salesperson are collecting are related to or in connection with the broker's or salesperson's real estate business.

(x) A public officer or person that is acting under a court order.

(xi) An attorney who is handling a claim or collection on behalf of a client and in the attorney's own name.

(xii) A forwarding agency that, acting on behalf of a creditor or lender, forwards a claim, collection, or repossession only to a licensed collection agency that is licensed under this article or to a person whose collection activities are excluded or exempted
(c) "Collection agency manager" means the individual responsible for the operation of a collection agency.

(d) "Communicate" means to convey information regarding a debt directly or indirectly to a person through any medium.

(e) "Creditor" or "principal" means a person that offers or extends credit creating a debt or a person to which a debt is owed or due or asserted to be owed or due. Creditor or principal does not include a person that receives an assignment or transfer of a debt solely for the purpose of facilitating collection of the debt for the assignor or transferor. In those instances, the assignor or transferor of the debt shall continue to be considered the creditor or the principal for purposes of this article.

(f) "Consumer" or "debtor" means an individual who is obligated or allegedly obligated to pay a debt.

(g) "Insolvency" means the failure of a licensee to pay debts in the ordinary course of business.

(h) "Office" means a regular place of business where complete records are kept of collections and claims handled by a licensee.

(2) As used in this article, "collecting or attempting to collect a claim", "repossessing or attempting to repossess a thing of value", and "collection activities" do not include any of the following activities of a claim forwarder or remarketer pursuant to a contract with a creditor:

(a) Forwarding repossession assignments on behalf of the creditor to a collection agency that is licensed under this act for repossessing or attempting to repossess a thing of value owed or alleged to be owed on a claim.

(b) Pursuant to the authorization of a creditor and on the
creditor's behalf, providing or procuring the services of an auction or other remarketer in connection with the disposition or preparation for disposition of a thing of value that was previously repossessed by a creditor or by another person on behalf of the creditor.

(c) Communicating with a creditor or the collection agency regarding the performance of any of the activities described in subdivision (a) or (b).

Sec. 915b. A licensee or collection agency shall not do either of the following:

(a) For a claim purchased by or assigned or transferred to the licensee or collection agency, contact the debtor concerning the claim without first providing a written notice, not less than 5 days before the first contact, to the debtor that contains all of the following:

(i) A statement in not less than 12-point font stating "A claim that you may owe has been assigned to a debt collector."

(ii) The dollar amount outstanding for the claim.

(iii) The name of the licensee or collection agency.

(iv) The name of the person the claim was purchased from or assigned or transferred by.

(v) The name of the original creditor.

(vi) The date and amount of the last payment that was made on the claim.

(b) Contact a debtor regarding any claim if that debtor provides documentation of economic abuse to the licensee or collection agency. As used in this subdivision, "documentation of economic abuse" includes any of the following:

(i) A personal protective order obtained under section 2950 of
the revised judicature act of 1961, 1961 PA 236, MCL 600.2950, by or on behalf of the debtor.

   (ii) A police report indicating the debtor was a victim of domestic violence or elder abuse.

   (iii) A Federal Trade Commission identity theft report indicating that the debtor has been the victim of identity theft.

   (iv) A report signed by a licensed social worker, a licensed health care professional, or a licensed mental health professional, stating that the debtor incurred debts as a result of abusive coercion from any of the following:

       (A) A current or former spouse.

       (B) An individual with whom the debtor has a child in common.

       (C) An individual with whom the debtor is or was in a dating relationship.

       (D) A current or former resident of the debtor's household.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No.____ or House Bill No.5257(request no. 03157'21) of the 101st Legislature is enacted into law.