DEBT ADJUSTING BUSINESS

THURSDAY, SEPTEMBER 14, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE NO. 5 OF THE
COMMITTEE ON THE DISTRICT OF COLUMBIA,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10 o'clock a.m. in room 1310, Longworth House Office Building, Hon. B. F. Sisk (Subcommittee Chairman) presiding.

Members Present: Representatives Sisk (Chairman), Whitener, Walker, Horton, and Gude, also Representative Broyhill.

Also Present: James T. Clark, Clerk; Hayden S. Garber, Counsel; Donald Tubridy, Minority Clerk; and Leonard O. Hilder, Investigator.

Mr. SISK. Subcommittee No. 5 will come to order.

The first order of business before the Subcommittee this morning has to do with the subject of debt adjusting. There has been a considerable amount of discussion about apparent problems that have developed in the District of Columbia regarding this subject. Over the last several Congresses legislation has been introduced dealing with this subject. Early this session a bill, H.R. 8929, was introduced by our colleague from Michigan, Mr. Diggs, calling for the regulation of the debt adjustment business in the District. Without objection I will ask that that bill be made a part of the record.

Later a bill, H.R. 9806, was introduced by our colleague from Virginia, Mr. Broyhill, to prohibit the business of debt adjustment. Without objection, that bill will be made a part of the record at this point.

(H.R. 8929 and H.R. 9806 follow:)

[H.R. 8929, 90th Cong., 1st sess., by Mr. Diggs on April 20, 1967]

A BILL To regulate the business of debt adjusting in the District of Columbia other than as an incident to the practice of law

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act the term—

(1) "Debt adjusting" means an activity, whether referred to by the term "budget counseling", "budget planning", "budget service", "credit advising". "debt adjusting", "debt counseling", "debt help", "financial adjusting," "financial arranging", 'prorating", or some other term of like import, which involves a particular debtor's entering into an express or implied contract whereby the debtor agrees to pay an amount or amounts of money periodically or otherwise to a person who agrees, for a consideration, to distribute such money among specified creditors in accordance with a plan agreed upon between the debtor and the person to whom the debtor makes or agrees to make such payments.

(2) "Person" does not include an individual admitted to the bar of the United States District Court for the District of Columbia.