

DEBT ADJUSTING BUSINESS

of the contract with each debtor, which records shall contain complete information regarding the contract, extensions thereof, payments, disbursements, and charges, which records shall be open to inspection by the Board of Commissioners during normal business hours.

(2) Make remittances to creditors within two working days after receipt of any funds, less fees and costs, unless the reasonable payment of one or more of the debtor's obligations requires that such funds be held for a longer period so as to accumulate a sum certain.

(3) Upon request furnish the debtor a written statement of his account each ninety days, or a verbal accounting at any time the debtor may request it during normal business hours.

(c) No licensee shall accept an account unless a written and thorough budget analysis indicates that the debtor can reasonably meet the requirements required by the budget analysis.

(d) In the event a compromise of a debt is arranged by the licensee with any one or more creditors, the debtor shall have the full benefit of that compromise.

(e) No licensee shall—

(1) Purchase from a creditor any obligation of a debtor.

(2) Operate as a collection agent and as a licensee as to the same debtor's account.

(3) Execute any contract or agreement to be signed by the debtor unless the contract or agreement is fully and completely filled in and finished.

(4) Receive or charge any fee in the form of a promissory note or other promise to pay, or receive or accept any mortgage or other security for any fee, both as to real or personal property.

(5) Pay any bonus or other consideration to any person for the referral of a debtor to his business nor shall he accept or receive any bonus, commission, or other consideration for referring any debtor to any person for any reason.

(6) Advertise his services, display, distribute, broadcast, or televise or permit to be displayed, advertised, distributed, broadcasted, or televised his services in any manner inconsistent with existing law.

SEC. 9. (a) Any person, partnership, association, corporation, or any other group of individuals, however organized, or any owner, partner, member, officer, director, employee, agent, or representative thereof who willfully or knowingly engages in the business of debt management without the license required by this Act, is guilty of a misdemeanor and shall be fined not more than \$1,000 for each violation or imprisoned for not more than six months, or both.

(b) Any licensee under this Act who violates any provision of this Act is guilty of a misdemeanor and shall be fined not more than \$1,000 for the first offense, and for each subsequent offense a like fine or imprisonment not to exceed one year, or both.

(c) Prosecution for violations of this Act shall be conducted in the name of the District of Columbia by the Corporation Counsel or any of his assistants.

[H.R. 9806, 90th Cong., 1st sess., by Mr. Broyhill on May 9, 1967]

A BILL To prohibit the business of debt adjusting in the District of Columbia except as an incident to the lawful practice of law or as an activity engaged in by a nonprofit corporation or association

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.

(3) "Partnership" does not include a partnership all the members of which are admitted to the bar of the United States District Court for the District of Columbia.