TABLE 1.—LICENSE AND INVESTIGATION FEES; AMOUNT OF BOND

State	License fee	Initial investigation fee	Amount of bond
California	$100 for principal office; $20 for each branch office	$50	$10,000
Colorado	$50 for each office	100	25,000
Connecticut [1]	$100 for each office	50	[1] 10,000
Idaho	$25 for each office	(2)	[3] 5,000
Illinois	$100 for each office	30	7,500
Michigan	$50 for each office	50	[3] 5,000
Minnesota	$10 for each office	(4)	5,000
Nebraska [5]	$100 for principal office; $50 for each branch office	100	10,000
Oregon	$150 for principal office; $100 for each branch office	(6)	10,000
Utah	$50 for each office	50	25,000
Washington	$50 for each office	50	10,000
Wisconsin	$100 for each office location with population of 25,000 or more; $50 for each office location with population of less than 25,000.	(2)	5,000

[1] The Connecticut law becomes effective 1/1/68. The administrator is authorized to require a larger bond if he determines it is warranted by the business circumstances of the licensee.
[2] In Idaho and Wisconsin, the applicant must pay the entire cost of the investigation.
[3] For each office.
[4] In Minnesota, investigation is required but the law does not require the applicant to pay the cost.
[5] The Nebraska law becomes effective 1/1/69.
[6] No provision.

Exemptions

The usual exemptions in these laws are for: (1) attorneys; (2) banks, fiduciaries, financing, and lending institutions duly authorized and admitted to transact business in the State; (3) title insurers and abstract companies while doing an escrow business; (4) employees of licensees when acting in the normal course of their employment; (5) judicial officers or others acting pursuant to court order; (6) nonprofit, religious, fraternal, or cooperative organizations offering debt-pooling services for their members; and (7) employers offering debt-pooling services exclusively for their employees.

The exemption of attorneys under the laws of California, Colorado, Connecticut, Illinois, Michigan, Nebraska, Utah, and Washington is applicable only when the debt pooling occurs in the normal course of their practice; in Oregon it is applicable to attorneys who do not specialize in the business of debt pooling. There are no exemptions in the Wisconsin law.

Consent of creditors

Unless the creditors consent to the debt-pooling plan, such a plan is useless. The laws of California, Michigan, and Utah require that consent must be obtained from the holders of at least 51 percent of the total amount of the indebtedness and of the total number of creditors listed in the contract between the licensee and the debtor. The Connecticut law is similar, except that a "majority" is stipulated, rather than 51 percent. Colorado requires the consent of 80 percent of the creditors listed in the contract, and Illinois requires that a majority of the creditors listed must agree to the plan. Unlike any of the other laws, Connecticut grants creditors or their attorneys access to all records relative to such consent for verification.

Before making any charges, Oregon and Washington require the debt-pooling firm to notify all of the debtor's creditors that the debtor has engaged the services of the licensee. The laws of Idaho, Minnesota, Nebraska, and Wisconsin are silent on this point.

Fees

Fees charged by debt-pooling businesses are based on a percentage of the indebtedness as listed by the debtor. Ten of the 12 regulatory laws (all but Michigan and Minnesota) fix the maximum fee which may be charged, ranging from 10 to 15 percent.

All of the regulatory laws except Idaho provide that the fee of the licensee must be agreed upon and stated in the contract, and that a copy of the contract must be furnished to the debtor.