

28 (b) "Debt" means an obligation or alleged obligation to pay money arising out of a  
29 transaction for money, property, insurance, or services.

30 (c) "Debtor" means a person obligated or allegedly obligated to pay a debt.

31 (d) "Third party debt collection agency" means:

32 (i) a debt collector as defined in 15 U.S.C. Sec. 1692a; or

33 (ii) a person who would be a debt collector under 15 U.S.C. Sec. 1692a, except that the  
34 person does not use an instrumentality of interstate commerce or the mail.

35 (2) A creditor may require a debtor to pay a collection fee in addition to any other  
36 amount owed to the creditor for a debt if:

37 (a) imposing a collection fee on the debtor or in relation to the debt is not prohibited or  
38 otherwise restricted by another federal or state law;

39 (b) the creditor contracts with a third party debt collection agency or licensed attorney  
40 to collect the debt;

41 (c) the third party debt collection agency with which the creditor contracts is registered  
42 under this title;

43 (d) there is a written agreement between the creditor and the debtor that:

44 (i) creates the debt; and

45 (ii) provides for the imposition of the collection fee in accordance with this section;

46 and

47 (e) the obligation to pay the collection fee is imposed at the time of assignment of the  
48 debt to a third party debt collection agency or licensed attorney in accordance with an  
49 agreement described in Subsection (2)(d).

50 (3) The creditor shall establish the amount of the collection fee imposed under this  
51 section, except that the amount may not exceed the lesser of:

52 (a) the actual amount a creditor is required to pay a third party debt collection agency  
53 or licensed attorney, regardless of whether that amount is a specific dollar amount or a  
54 percentage of the principal amount owed to the creditor for a debt; or

55 (b) ~~[40%]~~ ~~H~~→ [20%] 30% ←~~H~~ of the principal amount owed to the creditor for a debt.

56 (4) An obligation to pay a collection fee imposed under this section is in addition to  
57 any obligation to pay attorney fees that may otherwise exist.