



House of Representatives *State of Utah*

UTAH STATE CAPITOL COMPLEX • 350 STATE CAPITOL
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February 1, 2012

Madam Speaker:

The Workforce Services and Community and Economic Development Committee reports a favorable recommendation on **H.B. 78**, UTAH DIVISION OF CONSUMER PROTECTION AMENDMENTS, by Representative D. Brown, with the following amendments:

1. Page 23, Line 689:

689 (6) ~~{-(a)}~~ Except as otherwise provided in Subsections (3) and (4), if an agreement

2. Page 23, Line 691 through Page 24, Line 714:

691 the debt ~~{-}~~ ∴
(a) compensation for services in connection with settling a debt ~~{-may not exceed one of~~
692 ~~the following applicable settlement fee limits in Subsection (6)(b) or (c), the terms of which~~
693 ~~shall be clearly disclosed in the agreement.}~~ shall be reasonable and clearly disclosed in the agreement; and
(b) a fee for settling a debt may be collected only as the debt is settled.
694 ~~{(b)(i) With respect to agreements where a flat settlement fee is charged based on the~~
695 ~~overall amount of included debt, total aggregate fees charged may not exceed 17% of the~~
696 ~~principal amount of debt included in the agreement[, including any fees charged under~~
697 ~~Subsections (4)(b)(i) and (ii)].~~
698 ~~—(ii) The flat settlement fee authorized under this Subsection (6)(b) [shall be assessed in~~
699 ~~equal monthly payments over no less than half of the length of the plan, as estimated at the~~
700 ~~plan's inception, unless:] may be collected only upon the settlement of all debt included in the~~

Bill Number



HB0078

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701 settlement fee agreement.
702 ~~—[(A) payment is voluntarily accelerated by the individual in a separate record;~~
and]
703 ~~—[(B) at least half of the principal amount of overall debt included in the~~
agreement at its
704 inception has been settled.]
705 ~~—(c) (i) With respect to agreements where fees are calculated as a percentage of~~
the
706 amount saved by an individual, a settlement fee may not exceed 30% of the excess of
the
707 outstanding amount of each debt over the amount actually paid to the creditor, as
calculated at
708 the time of settlement.
709 ~~—(ii) Settlement fees authorized under this Subsection (6)(c):~~
710 ~~—(A) may be collected only as debts are settled; and~~
711 ~~—(B) the total aggregate amount of fees charged to any individual under this~~
chapter[,
712 including fees charged under Subsections (4)(b)(i) and (ii),] may not exceed 20% of
the
713 principal amount of debt included in the agreement at the agreement's inception.
714 ~~—(d) A provider may not impose or receive fees under both Subsections (6)(b) and~~
(c). }

Respectfully,

Jim Bird
Committee Chair

Voting: 4-0-3

3 HB0078.HC1.WPD 2/1/12 9:37 am /BNC RHR/RCN

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