

CREDIT SERVICE ORGANIZATIONS ACT REVISIONS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jon E. Stanard

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Credit Services Organizations Act.

Highlighted Provisions:

This bill:

► modifies the definition of a credit services organization to include a person that provides debt-management services, as defined in this bill; and

► makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

13-21-2, as last amended by Laws of Utah 2011, Chapter 289

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **13-21-2** is amended to read:

13-21-2. Definitions -- Exemptions.

As used in this chapter:

(1) "Buyer" means an individual who is solicited to purchase or who purchases the



28 services of a credit services organization.

29 (2) "Credit reporting agency" means a person [~~who~~] that, for a monetary fee, dues, or
30 on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of
31 assembling or evaluating consumer credit information or other information on consumers for
32 the purpose of furnishing consumer reports to third persons.

33 (3) (a) "Credit services organization" means a person [~~who~~] that represents that the
34 person or [~~an~~] the person's employee is a debt professional or credit counselor, or, with respect
35 to the extension of credit by others, sells, provides, or performs, or represents that the person
36 can or will sell, provide, or perform, in return for the payment of money or other valuable
37 consideration any of the following services:

38 (i) improving a buyer's credit record, history, or rating;

39 (ii) [~~providing~~] advice, assistance, instruction, or instructional materials to a buyer with
40 regard to Subsection (3)(a)(i); or

41 (iii) [~~debt reduction or debt management plans~~] debt-management services.

42 (b) "Credit services organization" does not include:

43 (i) a person authorized to make loans or extensions of credit under the laws of this state
44 or the United States [~~who~~] that is subject to regulation and supervision by this state or the
45 United States and [~~who~~] that derives at least 35% of the person's income from making loans
46 and extensions of credit;

47 (ii) a depository institution:

48 (A) as defined in Section 7-1-103; or

49 (B) that is regulated or supervised by the Federal Deposit Insurance Corporation or the
50 National Credit Union Administration;

51 (iii) a person licensed as a principal broker under Title 61, Chapter 2f, Real Estate
52 Licensing and Practices Act, if the person is acting within the course and scope of that license;

53 (iv) a person licensed to practice law in this state if:

54 (A) the person renders the services described in Subsection (3)(a) within the course and
55 scope of the person's practice as an attorney; and

56 (B) the services described in Subsection (3)(a) are incidental to the person's practice as
57 an attorney;

58 (v) a broker-dealer registered with the Securities and Exchange Commission or the

59 Commodity Futures Trading Commission if the broker-dealer is acting within the course and
60 scope of that regulation;

61 (vi) a credit reporting agency if the services described in Subsection (3)(a) are
62 incidental to the credit reporting agency's services; or

63 (vii) a person ~~[who]~~ that provides debt-management services and is required to be
64 registered under Title 13, Chapter 42, Uniform Debt-Management Services Act.

65 (4) "Debt-management services" is as defined in Section 13-42-102.

66 ~~[(4)]~~ (5) "Extension of credit" means the right to defer payment of debt or to incur debt
67 and defer its payment, offered or granted primarily for personal, family, or household purposes.

Legislative Review Note
as of 2-6-13 1:32 PM

Office of Legislative Research and General Counsel