

March 16, 2005

S 590. CONSUMER CREDIT COUNSELING/DEBT MANAGEMENT. TO FURTHER PROTECT CONSUMERS SEEKING ASSISTANCE WITH MANAGING THEIR DEBTS. Amends Article 26 of Chapter 14 of the General Statutes (prohibiting debt adjusting) to increase engaging in business of debt from a Class 2 misdemeanor to a Class I felony and to provide for civil penalties and attorneys' fees to State if an action for an injunction is brought. Adds to persons exempted from statute (1) attorneys who are not primarily engaged in the business of debt adjusting but who engage in debt adjusting activities incidental to the practice of law and (2) certain tax exempt nonprofit organizations that provide credit counseling and debt management services to debtors if the organization meets enumerated conditions, including being accredited by an accrediting organization that the Comm'r of Banks approves as being independent and nationally recognized. Makes conforming amendment to GS 53-93.

Intro. by Dorsett.

Ref. to Commerce

GS 14, 53

May 18, 2005

S 590. CONSUMER CREDIT COUNSELING/DEBT MANAGEMENT. Intro. 3/16/05. Senate committee substitute makes the following changes to 1st edition. Proposed GS 14-426(7) provided that tax-exempt nonprofit organizations offering credit counseling, education, and debt management services were not debt adjusters. Committee substitute deletes nonprofit status requirement. Further modifies GS 14-426(7) to delete definition of "nominal consideration" and to modify the restriction on the purchase of goods and services from entities affiliated with the organization providing debt management services. Deletes amendment to GS 14-424. Makes technical and conforming changes.

May 26, 2005

S 590. CONSUMER CREDIT COUNSELING/DEBT MANAGEMENT. Intro. 3/16/05. Senate committee substitute makes the following changes to 2nd edition. Proposed GS 14-426(7) provides that organizations offering credit counseling, education, and debt management services are not debt adjusters if organization also performs certain listed activities and complies with listed requirements. Committee substitute deletes requirement that nonprofit organization not purchase goods, services, or facilities for debt management services from any entity affiliated with the organization unless approved by the organization's Board of Directors. Provides that act expires October 1, 2007.

August 2, 2005

S 590. CONSUMER CREDIT COUNSELING/DEBT MANAGEMENT. Intro. 3/16/05. House committee substitute makes the following changes to 3rd edition. Modifies proposed GS 14-426(7) to also require that, in order to be exempt from the prohibition against engaging in debt adjusting business, credit counseling organization must not receive a payment, commission, or other benefit for referring the debtor to a service provider. Makes technical change.

August 23, 2005

S 590. CONSUMER CREDIT COUNSELING/DEBT MANAGEMENT. Intro. 3/16/05. House committee substitute makes the following changes to 4th edition. Changes effective date for amendments to definition of "debt adjusting" from date act becomes law to December 31, 2005.

August 23, 2005

S 590. CONSUMER CREDIT COUNSELING/DEBT MANAGEMENT. Intro. 3/16/05. House amendment makes the following changes to 4th edition. Amends definition of attorneys who are not deemed to be in the practice of debt adjustment to include those attorneys who engage in the business of debt adjusting for nominal consideration only.

August 24, 2005

S 590. CONSUMER CREDIT COUNSELING/DEBT MANAGEMENT. Intro. 3/16/15. Conference Report recommends the following changes to 6th edition to reconcile matters in controversy. 6th edition amended GS 14-426(6) to provide that a licensed attorney who engaged in the business of debt adjustment for nominal consideration only was exempt from the criminal penalties that applied to the practice of debt adjustment. Conference report replaces that provision with an exemption for licensed attorneys who are not employed as debt adjusters.

September 21, 2005

SL 2005-408 (S 590). CONSUMER CREDIT COUNSELING/DEBT MANAGEMENT. AN ACT TO FURTHER PROTECT CONSUMERS SEEKING ASSISTANCE WITH MANAGING THEIR DEBTS. Summarized in *Daily Bulletin* 3/16/05, 5/18/05, 5/26/05, 8/2/05, 8/23/05, and 8/24/05. Enacted September 20, 2005. GS 14-426(7)g, as enacted by Section 1, is effective October 1, 2005. GS 14-423(a)(2), as amended by Section 2, is effective December 31, 2005. The remainder is effective September 20, 2005.