

April 9, 2009

**H 1397. DEBT SETTling RESTRICTIONS.** Filed 4/9/09. *TO ENACT CERTAIN RESTRICTIONS AND REQUIREMENTS RELATING TO THE PRACTICE OR BUSINESS OF DEBT SETTling.*

Amends GS 14-423 to define the terms *debt settler*, *debt settling*, and *unlawful debt settling practice*. Makes organizational changes. Enacts GS 14-426.1, which prohibits a debt settler from (1) making a representation regarding the debt settler's ability to obtain a particular result with respect to reducing, settling, or altering the terms or payment of a debt, (2) charging a debtor on a contingency fee basis, (3) soliciting or accepting a power of attorney from a debtor, or (4) entering into a debt settling agreement with a debtor without first receiving a signed statement from the debtor stating that the debtor has received counseling from a nonprofit that provides substantially similar services as those provided by the debt settler or that no such counseling was available. Amends GS 14-424 to make it a class 2 misdemeanor to engage in unlawful debt settling practices. Makes technical and conforming changes. Effective December 1, 2009.

**Intro. by Hall.**

GS 14