

Chapter 425

Debt Adjusters and Collection Agencies

425.010. As used in this chapter, the following terms mean:

(1) "Debt adjuster", a person who acts or offers to act for a consideration as an intermediary between a debtor and his creditors for the purpose of settling, compounding, or in any wise altering the terms of payment of any debts of the debtor; and to that end the person receives money or other property from the debtor, or on behalf of the debtor, for payment to the debtor's credit by the person, or distribution among, the creditors by the person. This definition shall only apply to a person who collects funds from a debtor and delivers such funds to the debtor's creditors;

(2) "Debt management plan" or "DMP", a written agreement or contract between a debt adjuster and a debtor whereby the debt adjuster agrees to provide its services as such to the debtor in return for payment by the debtor of no more than reasonable consideration;

(3) "Debtor", an individual or individuals jointly and severally or jointly or severally indebted;

(4) "Reasonable consideration", a fee or contribution to cover the cost of administering a debt management plan, not to exceed:

(a) Fifty dollars for an initial or set-up fee or charge for establishing a DMP; and

(b) The greater of thirty-five dollars per month or eight percent of the amount distributed monthly to creditors under such DMP.

425.020. Any person who acts or offers to act as a debt adjuster in this state other than under a debt management plan is guilty of a misdemeanor and upon conviction shall be punished as provided by law.

425.025. Nothing in this chapter shall be construed to prevent any individual or organization from administering a debt management plan free of charge.

425.027. A debt adjuster shall provide a blanket bond in the amount of one hundred thousand dollars in favor of the state of Missouri and a copy of the bond shall be filed with the director of the division of finance. The bond shall be for the benefit of any debtor who is damaged by the debt adjuster's breach of the debt management plan or the debt adjuster's failure to properly administer debtor funds collected or disbursed under the debt management plan. The director of the division of finance may investigate any debtor complaint and make claim on a bond for the benefit of a debtor or release the bond to a debtor to make a claim.

425.030. The circuit court shall have power, in an action brought in the name of

the state by the attorney general, to enjoin any person from acting or offering to act as a debt adjuster; and, in the action, may appoint a receiver for the property and money employed in the transaction of business by the person as a debt adjuster, to insure, so far as may be possible, the return to debtors of so much of their money and property as has been received by the debt adjuster, and has not been paid to the creditors of the debtors.

425.040. The following persons shall not be considered debt adjusters for the purposes of this chapter:

- (1) Any attorney at law of this state;
- (2) Any person who is a regular, full-time employee of a debtor, and who acts as an adjuster of his employer's debts;
- (3) Any person acting pursuant to any order or judgment of court, or pursuant to authority conferred by any law of this state or of the United States;
- (4) Any person who is a creditor of the debtor, or an agent of one or more creditors of the debtor, and whose services in adjusting the debtor's debts are rendered without cost to the debtor; and
- (5) Any person who, at the request of a debtor, arranges for or makes a loan to the debtor, and who, at the authorization of the debtor, acts as an adjuster of the debtor's debts in the disbursement of the proceeds of the loan, without compensation for the services rendered in adjusting the debts.