EXHIBIT 2
DATE 3/5/09
HB 318

Amendments to House Bill No. 318
1st Reading Copy

Requested by Representative Deborah Kottel

For the House Judiciary Committee

Prepared by David Niss
March 3, 2009 (2:39pm)

1. Page 1, line 15.
Strike: "and"
Insert: "or"

2. Page 1, line 19.
Following: "bank,"
Insert: "agent of a bank,"

3. Page 2.
Following: line 1
Insert: "(3) "Principal amount of the debt" means the total amount of debt of an individual at the time the individual is accepted into a debt settlement program."

4. Page 2, line 4.
Following: "maintain"
Insert: "insurance"

5. Page 2, line 6.
Following: "."
Insert: "The debt settlement provider shall, at the request of the attorney general, make available to the attorney general proof of the insurance coverage required by this subsection (1)(a)."

6. Page 2, line 13.
Strike: "In addition" through "include"
Insert: "The annual filing by the debt settlement provider must be accompanied by a filing fee of $750 and must include, in addition to the financial statement, the following"

7. Page 2, line 19.
Strike: "managers"
Insert: "managing members"

8. Page 2, line 21.
Following: "(3)"
Insert: "(a)"
Strike: "is required to"
Insert: "shall"

9. Page 2, lines 22 through 24.
Following: "debtor,"
Strike: remainder of line 22 through "settlement." on line 24
Insert: "that:

(i) there will be fees charged by the debt settlement provider and shall disclose the type and amount of all of those fees;

(ii) the settlement of debts through a debt settlement program might have an impact on the debtor's credit history;

(iii) there may be tax consequences for the debtor as a result of a debt settlement;

(iv) collection activity by the creditor for a debt may continue until the creditor accepts a settlement for that debt;

(v) any settlement amount is an estimate based on the experience of prior customers and is not guaranteed to be accepted by the creditor;

(vi) a creditor may not be forced to accept a proposed settlement;

(vii) the debtor is required to meet certain savings goals in order to maximize settlement opportunities;

(viii) the debt settlement provider does not provide legal, accounting, tax, or bankruptcy advice or assistance;

(ix) the debt settlement provider will not use a payment made by the debtor to make a payment to a creditor; and

(x) debt settlement may not be the only option available to the debtor.

(b)"

10. Page 2, line 24.
Strike: "16-point"
Insert: "12-point"

11. Page 2, lines 28 through 29.
Strike: "or accept" on line 28 through "is" on line 29

12. Page 2, line 30.
Following: "fees"
Insert: ", other than setup fees,"
Strike: "are"
Insert: "is"

13. Page 3, line 1.
Following: "debt"
Strike: ";"
Insert: ". No more than 5% of the principal amount of the debt may be charged as a setup fee."

14. Page 3, line 12.
Strike: "in connection with the debt settlement provider's

activities"
Insert: "for performing debt settlement services"

15. Page 3, line 15.
Following: "agents"
Insert: ", affiliates, or contractors"

16. Page 3, line 16.
Following: "debtor"
Insert: ", a company acting on behalf of the debtor or the debtor's debt settlement provider,"

17. Page 3, line 19.
Strike: "actual services are provided"
Insert: "a written debt settlement services contract has been executed by the debtor containing a schedule of fees in the actual amount to be charged the debtor and stating when those fees will be charged"

18. Page 3, line 21.
Strike: "or"

19. Page 3, line 23.
Following: "plan"
Insert: "; or
(n) violate the provisions of any applicable state or federal do-not-call registry or Title 30, chapter 14, part 5"

20. Page 3, line 24 through line 25.
Following: "debtor"
Strike: remainder of line 24 through line 25 in its entirety
Insert: "before the contract is completed, the debt settlement provider shall, on request of the debtor, refund 50% of any collected but unrefunded service fee on a pro rata basis for those accounts that have not received a settlement offer by the time of the cancellation. Fees associated with the setup of a debt settlement service contract are not required to be refunded."

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