

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 1458

S.P. 486

In Senate, March 27, 2003

### An Act To Amend the Debt Management Services Laws

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Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator DOUGLASS of Androscoggin.  
Cosponsored by Representative CANAVAN of Waterville and  
Representative: O'NEIL of Saco.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 32 MRSA §6172, sub-§2**, as enacted by PL 1999, c. 560,  
§3, is repealed and the following enacted in its place:

6 **2. Debt management service.** "Debt management service"  
means:

8  
10 A. The receiving of money from a consumer for the purpose  
12 of distributing one or more payments to or among one or more  
creditors of the consumer in full or partial payment of the  
consumer's obligation;

14 B. Arranging or assisting a consumer to arrange for the  
16 distribution of one or more payments to or among one or more  
creditors of the consumer in full or partial payment of the  
consumer's obligation;

18 C. Exercising control, directly or indirectly, or arranging  
20 for the exercise of control over funds of a consumer for the  
purpose of distributing payments to or among one or more  
22 creditors of the consumer in full or partial payment of the  
consumer's obligation; or

24 D. Acting or offering to act as an intermediary between a  
26 consumer and one or more creditors of the consumer for the  
purpose of adjusting, settling, discharging, reaching a  
28 compromise on or otherwise altering the terms of payment of  
the consumer's obligation.

30  
32 **SUMMARY**

34 This bill amends the Nonprofit Debt Management Services Act  
36 to clarify that it protects a consumer who pays a fee to have a  
company negotiate with and arrange installment or reduced  
38 payments to creditors, even if the funds are sent directly from  
the consumer's accounts to the creditors rather than being sent  
first to the debt management company.