

STATEMENT OF PURPOSE

RS26456

The purpose of this legislation is to add a provision to allow collection agencies to collect incidental charges included in the contract between the creditor and the debtor. Additionally, the legislation makes the licensing process for collection agents, debt counselors, credit counselors, and credit repair entities similar to other entities licensed by the Idaho Department of Finance by requiring the use of a nationwide system of licensing and allowing for reinstatement of expired applications. Further, the legislation creates a Collection Agency Recovery Fund to allow reimbursement to persons to whom an Idaho court awards actual damages resulting from acts constituting violations of this chapter by a collection agent, debt counselor, credit counselor, or credit repair organization. To pay for the recovery fund, all licensees will have to pay a fee of two hundred fifty dollars (\$250) for home office locations and one hundred dollars (\$100) for each branch office, but to offset the recovery fund fee the bonding requirement for licensees is eliminated. Finally, the legislation provides for the creation, by rule, of an industry advisory board.

FISCAL NOTE

The proposed legislation does not alter license application fees collected by the Department from licensees or license applicants and does not alter the application of the Act's licensing requirements to entities conducting covered activities in Idaho. There will be no impact to the General Fund.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).