

## CHAPTER 134

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**PROFESSIONS AND OCCUPATIONS**

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**SENATE BILL 97-014**

BY SENATORS Mutzebaugh, Bishop, Blickensderfer, Feeley, Hernandez, Johnson, Linkhart, Matsunaka, Norton, Pascoe, Rupert, Schroeder, and Weddig;  
also REPRESENTATIVE Kaufman.

**AN ACT**

CONCERNING CREDITOR AGREEMENT TO A DEBTOR'S SCHEDULE OF PAYMENTS.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** 12-20-107, Colorado Revised Statutes, 1991 Repl. Vol., is amended to read:

**12-20-107. Fee of the licensee.** The fee of the licensee shall be agreed upon in advance and stated in the contract, and provision for settlement in case of cancellation or prepayment shall be clearly stated therein. The fee of the licensee shall not exceed ten percent of the total debts to be adjusted. The fee of the licensee shall be prorated monthly over the life of the contract. In addition to the prorated amount, the licensee shall be allowed to deduct from the first month's payment a reasonable amount for an application fee, said amount not to exceed twenty-five dollars. In the event of total payment of the contract before the term of the contract has expired, the licensee is entitled to an amount equal to twenty-five percent of the remaining fee, or any lesser amount as may be agreed upon. In the event of cancellation of the contract by the debtor, the licensee is entitled to a cancellation fee not to exceed twenty-five dollars. The licensee shall not be entitled to any fee under this article ~~until~~ **UNLESS** eighty percent of the creditors as listed in the contract required by section 12-20-108 (1) have agreed ~~in writing~~ to a schedule of payments as required by section 12-20-108 (6). FOR THE PURPOSE OF A LICENSEE'S ENTITLEMENT TO A FEE UNDER THIS SECTION ONLY, IN ADDITION TO ANY OTHER FORM OF AGREEMENT, A CREDITOR'S ACCEPTANCE OF A SCHEDULED PAYMENT FROM THE DEBT ADJUSTER AFTER THE CREDITOR HAS RECEIVED THE PROPOSED SCHEDULE OF PAYMENTS CONSTITUTES SUCH CREDITOR'S AGREEMENT TO THE SCHEDULE OF PAYMENTS, EXCEPT AS OTHERWISE PROVIDED BY RULE OF THE BANKING BOARD. A CREDITOR SHALL NOT BE DEEMED TO HAVE AGREED

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

TO A SCHEDULE OF PAYMENTS OTHER THAN FOR THE PURPOSE OF ALLOWING A LICENSEE TO COLLECT A FEE, UNLESS SUCH AGREEMENT BY THE CREDITOR IS IN WRITING.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety

Approved: April 24, 1997