

# SENATE BILL No. 1289

April 27, 2010, Introduced by Senators THOMAS, RICHARDVILLE, NOFS, SANBORN and WHITMER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1994 PA 160, entitled  
"Credit services protection act,"  
by amending section 2 (MCL 445.1822), as amended by 2009 PA 97.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 2. As used in this act:

2       (a) "Buyer" means a person who is solicited to purchase or who  
3 purchases the services of a credit services organization.

4       (b) "Credit services organization" means, except as otherwise  
5 provided in subdivision (c), a person who, in return for  
6 consideration, attempts to sell, provide, or perform 1 or more of  
7 the following:

8       (i) The improvement of a person's credit record, history, or  
9 rating.

1           (ii) The obtainment of an extension of credit.

2           (iii) Advice or assistance regarding the improvement or repair  
3 of a person's credit record, history, or rating.

4           (iv) Advice or assistance regarding the obtainment of an  
5 extension of credit.

6           (v) Advice or assistance regarding foreclosure of a real  
7 estate mortgage.

8           (vi) Serve as an intermediate between a debtor and a creditor  
9 on behalf of the debtor regarding credit that was extended prior to  
10 any agreement to have the credit services organization serve as an  
11 intermediate.

12           (c) Credit services organization does not include any of the  
13 following:

14           (i) A person who is licensed in this state or otherwise  
15 authorized to make loans or extend credit under any state statute  
16 while engaged in the regular course of business under that state  
17 statute, other than 1966 PA 326, MCL 438.31 to 438.33.

18           (ii) A federal or state chartered bank, credit union, savings  
19 bank, or savings and loan institution, an entity of the federally  
20 chartered farm credit system, or ~~any solely owned subsidiary~~  
21 ~~thereof~~ **A WHOLLY OWNED SUBSIDIARY OF ANY OF THEM.**

22           (iii) A person licensed under the occupational code, 1980 PA  
23 299, MCL 339.101 to 339.2919, when engaged in the regular course of  
24 business.

25           (iv) A person licensed to practice law in this state if the  
26 person renders services within the course of that person's practice  
27 as an attorney and does not engage in the business of a credit

1 services organization on a regular and continuing basis.

2 (v) A judicial officer or other person acting under court  
3 order.

4 (vi) A consumer reporting agency, as defined in section 603 of  
5 the fair credit reporting act, 15 USC 1681a, while engaged in the  
6 regular course of the credit reporting business.

7 (vii) A debt management business licensed under the ~~debt~~  
8 ~~management act, 1975 PA 148, MCL 451.411 to 451.437~~ **UNIFORM DEBT-**  
9 **MANAGEMENT SERVICES ACT**, while engaged in the regular course of  
10 business under that act.

11 (viii) An investment adviser or broker-dealer registered under  
12 the uniform securities act, **FORMER** 1964 PA 265, ~~MCL 451.501 to~~  
13 ~~451.818,~~ or the uniform securities act (2002), 2008 PA 551, MCL  
14 451.2101 to 451.2703.

15 (ix) A nonprofit corporation that is exempt from taxation under  
16 section 501c(3) of the internal revenue code, 26 USC 501c(3).

17 (x) A finance subsidiary of a manufacturing corporation.

18 (d) "Extension of credit" means the right to defer payment of  
19 debt or to incur debt.

20 (e) "Person" means an individual, partnership, corporation,  
21 limited liability company, association, or other legal entity.

22 Enacting section 1. This amendatory act takes effect 12 months  
23 after the date it is enacted into law.

24 Enacting section 2. This amendatory act does not take effect  
25 unless Senate Bill No. 1288

26 of the 95th Legislature is enacted into law.