

The House Committee on Special Judiciary offers the following substitute to HB 1656:

A BILL TO BE ENTITLED
AN ACT

To amend Part 2 of Article 15 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated, known as the "Fair Business Practices Act of 1975," so as to provide for a definition; to provide that the failure by a credit counseling agency or any officer, employee, or agent thereof to disclose certain information shall be an unfair and deceptive trade practice and shall be unlawful; to provide for the contents and requirements of reports and disclosures; to provide for return of certain fees; to provide for penalties; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Part 2 of Article 15 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated, known as the "Fair Business Practices Act of 1975," is amended by adding a new Code Section 10-1-393.8 to read as follows:

"10-1-393.8.

(a) As used in this Code section, the term 'credit counseling agency' means any person, partnership, corporation, nonprofit organization, or other entity which engages in the renegotiation of debt, whether for a fee or without charge to the debtor, but such term shall not include an attorney while engaged in the practice of law, a governmental agency or employee, or a creditor while engaged in the renegotiation of a debt owed by a debtor directly to the creditor.

(b) It shall be unlawful for any credit counseling agency or any officer, employee, or agent thereof to engage in the renegotiation of any debt on behalf of a debtor without making the following disclosures to the debtor in writing and in at least 14 point type:

(1) Any relationship which exists between the credit counseling agency and any creditor or organization of creditors;

1 (2) Any fee the credit counseling agency has received or anticipates receiving from any
2 creditor or organization of creditors as a result of dealing with or renegotiating the debt
3 of the debtor; and

4 (3) The terms and length of any restructuring plan prepared, proposed, or presented to
5 the debtor by the credit counseling agency, any creditor or creditors, or any organization
6 of creditors; the amount of any periodic payments and the amount of interest included in
7 such payments; and the amount of debt which will remain at the end of any such
8 restructuring plan.

9 (c) In addition to any other penalty or remedy which may be imposed under this part, the
10 debtor affected by any violation of this Code section shall be entitled to recover any
11 compensation or fee paid by the debtor to the credit counseling agency. Such right to
12 reimbursement may be enforced by the administrator in any action or administrative
13 proceeding brought by the administrator."

14 **SECTION 2.**

15 All laws and parts of laws in conflict with this Act are repealed.