House Bill 187

By: Representatives Leverett of the 123rd, Gunter of the 8th, Williams of the 168th, Smith of the 18th, and Prince of the 132nd

A BILL TO BE ENTITLED

AN ACT

To amend Article 4 of Chapter 9 of Title 16 of the Official Code of Georgia Annotated, relating to fraud and related practices, so as to authorize for-profit credit repair services; to revise the definition of "credit repair services organization"; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 4 of Chapter 9 of Title 16 of the Official Code of Georgia Annotated, relating to fraud and related practices, is amended in paragraph (2) of subsection (a) of Code Section 16-9-59, relating to operation of credit repair services organization, by adding a new subparagraph to read as follows:

"(C) 'Credit repair services organization' also does not include any credit repair services organization, as defined by 15 U.S.C. Section 1679a, that complies with the following consumer protections:

(i) Obtains a bond in the amount of $50,000.00, which shall be filed with the Department of Banking and Finance pursuant to rules and regulations promulgated by such department and shall remain in place for at least one year after the credit repair services organization has ceased all activities in this state, and which shall be used to cover administrative fines or civil damages suffered by any buyer or through any enforcement action;

(ii) Provides:

(I) A written contract to the buyer setting out the services such credit repair services organization provides and the amount that will be due each month for such services;

(II) An information statement informing the buyer of the buyer's right to challenge and dispute items on a credit report on the buyer's own; stating that the credit repair services organization will only challenge or dispute items that the buyer affirms are either unfair, inaccurate, or unsubstantiated; and informing the buyer of the right to proceed against the bond along with the name and address of the bond surety; and

(III) A notice of cancellation that informs the buyer of the right to rescind the agreement within five business days after entering into the contract and the right to cancel services at any time, along with a preprinted form containing the mailing address of the credit repair services organization; and

(iii) Does not engage in debt adjusting, as such term is defined in Code Section 18-5-1."

SECTION 2.

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