

**DEBT MANAGEMENT ACT (EXCERPT)**  
**Act 148 of 1975**

\*\*\*\*\* 451.412.amended THIS AMENDED SECTION IS EFFECTIVE MARCH 16, 2015 \*\*\*\*\*

**451.412.amended Definitions.**

Sec. 2. As used in this act:

(a) "Business of debt management" means providing or offering to provide debt management to 1 or more residents of this state.

(b) "Certified counselor" means an individual who is certified by a training program or certifying organization, approved by the director, that authenticates the competence of individuals who provide education and assistance to other individuals in connection with debt counseling and financial counseling functions.

(c) "Counselor" means a certified counselor who is an employee or agent of a licensee who engages in financial counseling and debt counseling functions.

(d) "Creditor" means a person for whose benefit a licensee collects and disperses money. The term does not include a licensee.

(e) "Debt management" means the planning and management of the financial affairs of a debtor and the receipt of money from the debtor for distribution to 1 or more of the debtor's creditors in payment or partial payment of the debtor's obligations.

(f) "Debtor" means a person from which money is collected for the benefit of a creditor of the debtor.

(g) "Debtor's obligation" means any current or past-due monetary obligation of the debtor, including, but not limited to, amounts owed for payment of credit cards, utilities, mortgages, student loans, home equity loans, personal loans, judgments, garnishments, property taxes, rent, or vehicle loans or leases or any other obligation whether secured or unsecured or whether or not the obligation has a principal and interest component.

(h) "Department" means the department of insurance and financial services.

(i) "Director" means the director of the department or his or her authorized representative.

(j) "Fair share program" means a program in which voluntary contributions are made by some creditors to a licensee based on a percentage of the amount disbursed by the licensee on behalf of a debtor.

(k) "Fees and charges of the licensee" means the total amount of money charged a debtor by a licensee, including the \$50.00 initial payment and any charges for advice, credit reports, educational materials and resources, or referrals.

(l) "License" means a written certificate or exemption order issued by the director under this act.

(m) "Licensee" means a person that is licensed, or is required to be licensed, under this act to perform debt management services and is located inside or outside the boundaries of this state.

(n) "Locator service" means a telephone service that automatically connects callers to a network of member service providers, based on geographic location or another parameter.

(o) "Office" means each location, described by street name, building number, city, and state, where a person engages in the business of debt management.

(p) "Person" means an individual, corporation, partnership, association, joint stock company, trust if the interests of the beneficiaries are evidenced by a security, limited liability company, or other legal entity.

(q) "Sweep arrangement" means an arrangement that provides for a temporary or permanent transfer of funds from 1 trust account to another trust account when a predetermined time, account balance, or other condition occurs or is fulfilled.

**History:** 1975, Act 148, Eff. Mar. 31, 1976;—Am. 2000, Act 255, Imd. Eff. June 29, 2000;—Am. 2014, Act 362, Eff. Mar. 16, 2015.

**Compiler's note:** For transfer of statutory authority, powers, duties, and functions of the corporations, securities and land development bureau to the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.