

DEBT MANAGEMENT ACT (EXCERPT)
Act 148 of 1975

451.424 Contract between licensee and debtor; requirements.

Sec. 14.

(1) A contract between a licensee and debtor shall include all of the following:

(a) Each creditor to which payments will be made and the amount owed each creditor. A licensee may rely on records of the debtor and other information available to it to determine the amount owed to a creditor.

(b) The total amount of the licensee's charges.

(c) The beginning and termination dates of the contract.

(d) The principal amount and approximate interest charges of the debtor's obligations to be paid under the debt management plan.

(e) The name and address of the licensee and of the debtor.

(f) Any other provisions or disclosures that the director determines are necessary for the protection of the debtor and the proper conduct of business by a licensee.

(2) Unless otherwise approved by the department and except for an amount due for 1 or more monthly fees, a closeout fee, credit reports, or educational products or materials, a licensee shall distribute to the creditors of the debtor, at least monthly, all money received from a debtor or on behalf of a debtor unless otherwise directed by the debtor.

(3) By submitting a written request to the licensee, a debtor may add or remove 1 or more debt obligations from a contract at any time. If the licensee determines after preparing an updated budget analysis that the debtor can reasonably fulfill the requirements of the debt management plan, the licensee may amend the contract as requested by the debtor.

(4) If a debtor's contract with a licensee expires and 1 or more debt obligations included in that contract are not yet liquidated, the licensee may extend or enter into an additional contract with the debtor if the licensee determines that the debt management plan is suitable for the debtor.

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 Notes: 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.