

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Joyce A. Spiliotis

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act Relative to Regulating Collection Agencies.

PETITION OF:

NAME:

Joyce A. Spiliotis

DISTRICT/ADDRESS:

12th Essex

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1104 OF 2007-2008.]

The Commonwealth of Massachusetts

—————
In the Year Two Thousand and Nine
—————

AN ACT RELATIVE TO REGULATING COLLECTION AGENCIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1

AN ACT RELATIVE TO REGULATING COLLECTION AGENCIES. REFILE OF 1104

2

3 SECTION 1. Section 24 of Chapter 93 of the General Laws is hereby amended by inserting after the word “debt
4 collector” the following definition:

5

6 “Debt-purchaser,” a person that purchases a debt.

7

8 SECTION 2. Chapter 93 of the General Laws is hereby amended by inserting after Section 24K, the following
9 section:

10

11 SECTION 24L.

12

13 (a) Within 30 days of purchasing a debt, a debt-purchaser shall send to the debtor a written notice of the purchase.
14 The notice shall state:

- 15 (1) the dollar amount of the debt;
16 (2) the original creditor;
17 (3) the date on which the debt-purchaser bought the debt, and
18 (4) the interest rate and penalty charges that the debt-purchaser may charge on the debt.

19

20 (b) A debt-purchaser shall send a debtor a monthly notice of the activity on the debtor's account. This notice shall
21 state:

- 22 (1) the unpaid balance on the account;
23 (2) the amount of any payments on the account from 30 days prior to the date the notice is sent; and
24 (3) the amount of interest and penalties charged on the account from 30 days prior to the date the notice
25 is sent.

26

27 (c) Failure to comply with the notice requirements established in paragraph (a) or (b) of this Section shall
28 constitute an unfair business practice under Chapter 93A.

29

30 (d) A debt-purchaser shall attach to any communication sent to a debtor a disclaimer of the limitations imposed
31 upon the debt-purchaser by paragraphs (a) and (b) of this Section.

32

33 The disclaimer shall state that a debtor may bring a private action if a debt-purchaser
34 violates paragraphs (a) or (b) of this Section. A debt-purchaser shall print the disclosure in large, bold font, and all
35 capital letters. The debt-purchaser shall print the disclosure on the top half of the first page of the
36 communication, on the front side of the page.

37

38 (e) The Commissioner of Banks shall publish in a conspicuous location on the Division of Banks' website the
39 limitations on debt-purchasers established in paragraphs (a) and (b) of this Section.

40

41 (f) The Commissioner of Banks shall promulgate any regulations necessary to implement and enforce this Section.
42 The Commissioner of Banks shall promulgate regulations within one year from the date on which this bill
43 takes effect.

44

45 Every 3 years, the Commissioner of Banks shall review for 6 months the effect of the regulations promulgated
46 pursuant to this Section. Upon completing the review, the Commissioner of Banks shall amend the
47 regulations or promulgate new regulations as is necessary to enforce this Section.

48

49 SECTION 3. Chapter 167E of the General Laws is hereby amended by inserting after Section 1A the following
50 section:

51

52 SECTION 1B: (a) Within thirty days of selling a debt, a bank shall send a debtor a written notice that the debt was
53 sold. The notice shall inform the debtor of:

54 (1) the amount of the debt,

55 (2) the person to whom the debt was sold;

56 (3) the interest and penalties that the person who bought the debt may charge on the debt.

57