

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 660

Short Title: Collection Agency Definition.

(Public)

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Sponsors: Representative Nesbitt.

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Referred to: Judiciary I.

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March 29, 1999

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE DEFINITION OF COLLECTION AGENCY SO THAT  
THE IV-D CHILD ENFORCEMENT PROGRAM IS REGULATED BY THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-70-15 reads as rewritten:

**"§ 58-70-15. Definition of collection agency and collection agency business.**

"Collection agency" means and includes all persons, firms, corporations, and associations directly or indirectly engaged in soliciting, from more than one person, firm, corporation or association, delinquent claims of any kind owed or due or asserted to be owed or due the solicited person, firm, corporation or association, and all persons, firms, corporations and associations directly or indirectly engaged in the asserting, enforcing or prosecuting of those claims.

"Collection agency" shall include:

(1) Any person, firm, corporation or association who shall procure a listing of delinquent debtors from any creditor and who shall sell such listing or otherwise receive any fee or benefit from collections made on such listing; and

(2) Any person, firm, corporation or association which attempts to or does transfer or sell to any person, firm, corporation or association not

1 holding the permit prescribed by this Article any system or series of  
2 letters or forms for use in the collection of delinquent accounts or claims  
3 which by direct assertion or by implication indicate that the claim or  
4 account is being asserted or collected by any person, firm, corporation,  
5 or association other than the creditor or owner of the claim or demand;  
6 and

- 7 (3) An in-house collection agency, whereby a person, firm, corporation, or  
8 association sets up a collection service for his or its own business and  
9 the agency has a name other than that of the business.

10 "Collection agency" does not mean or include:

- 11 (1) Regular employees of a single creditor;  
12 (2) Banks, trust companies, or bank-owned, controlled or related firms,  
13 corporations or associations engaged in accounting, bookkeeping or data  
14 processing services where a primary component of such services is the  
15 rendering of statements of accounts and bookkeeping services for  
16 creditors;  
17 (3) Mortgage banking companies;  
18 (4) Savings and loan associations;  
19 (5) Building and loan associations;  
20 (6) Duly licensed real estate brokers and agents when the claims or  
21 accounts being handled by the broker or agent are related to or are in  
22 connection with the broker's or agent's regular real estate business;  
23 (7) Express, telephone and telegraph companies subject to public regulation  
24 and supervision;  
25 (8) Attorneys-at-law handling claims and collections in their own name and  
26 not operating a collection agency under the management of a layman;  
27 (9) Any person, firm, corporation or association handling claims, accounts  
28 or collections under an order or orders of any court;  
29 (10) A person, firm, corporation or association which, for valuable  
30 consideration purchases accounts, claims, or demands of another, which  
31 such accounts, claims, or demands of another are not delinquent at the  
32 time of such purchase, and then, in its own name, proceeds to assert or  
33 collect the accounts, claims or demands;  
34 (11) "Collection agency" shall not include any person, firm, corporation or  
35 association attempting to collect or collecting claims, in his or its own  
36 name, of a business or businesses owned wholly or substantially by the  
37 same person, firm, corporation, or association;  
38 (12) Any nonprofit tax exempt corporation organized for the purpose of  
39 providing mediation or other dispute resolution ~~services~~ services; and  
40 (13) The designated representatives of programs as defined by G.S. 110-  
41 129(5)."

42 Section 2. This act is effective when it becomes law.