

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011**

S

1

**SENATE BILL 63**

Short Title: Clarify Definition of Collection Agency. (Public)

Sponsors: Senator Jenkins.

Referred to: Commerce.

February 14, 2011

A BILL TO BE ENTITLED  
AN ACT TO SPECIFY THAT CERTAIN PERSONS ARE NOT SUBJECT TO THE  
STATUTES GOVERNING COLLECTION AGENCIES.

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.**

...  
(c) "Collection agency" does not mean:

- (1) Regular employees of a single creditor;
- (2) Banks, trust companies, or bank-owned, controlled or related firms, corporations or associations engaged in accounting, bookkeeping or data processing services where a primary component of such services is the rendering of statements of accounts and bookkeeping services for creditors;
- (3) Mortgage banking companies;
- (4) Savings and loan associations;
- (5) Building and loan associations;
- (6) Duly licensed real estate brokers and agents when the claims or accounts being handled by the broker or agent are related to or are in connection with the broker's or agent's regular real estate business;
- (7) Express, telephone and telegraph companies subject to public regulation and supervision;
- (8) Attorneys-at-law handling claims and collections in their own name and not operating a collection agency under the management of a layman;
- (9) Any person, firm, corporation or association handling claims, accounts or collections under an order or orders of any court;
- (10) A person, firm, corporation or association which, for valuable consideration purchases accounts, claims, or demands of another, which such accounts, claims, or demands of another are not delinquent at the time of such purchase, and then, in its own name, proceeds to assert or collect the accounts, claims or demands;

(10a) Any person, firm, corporation, or association attempting to collect or collecting any debt owed or due another or asserted to be owed or due another to the extent such activity meets one or more of the following descriptions:

- a. It is incidental to a bona fide escrow arrangement.
- b. It concerns a debt that was originated by such person.



- 1                   c.     It concerns a debt that was not in default at the time it was obtained  
2                             by such person.  
3                   d.     It concerns a debt obtained by such person as a secured party in a  
4                             commercial credit transaction.  
5           (11) Any person attempting to collect or collecting claims, in that person's name,  
6                   of a business or businesses owned wholly or substantially by that person;  
7           (12) Any nonprofit tax exempt corporation organized for the purpose of  
8                   providing mediation or other dispute resolution services; and  
9           (13) The designated representatives of programs as defined by G.S. 110-129(5)."  
10       **SECTION 2.** This act becomes effective July 1, 2011.