

The Senate Committee on Agriculture and Consumer Affairs offered the following substitute to SB 371:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 4 of Chapter 9 of Title 16 of the Official Code of Georgia Annotated,
2 relating to fraud and related practices, so as to authorize for-profit credit repair services; to
3 revise the definition of "credit repair services organization"; to provide for related matters;
4 to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 4 of Chapter 9 of Title 16 of the Official Code of Georgia Annotated, relating to fraud
8 and related practices, is amended in Code Section 16-9-59, relating to operation of credit
9 repair services organization, by adding a new subparagraph to read as follows:

10 "(C) 'Credit repair services organization' also does not include any credit repair services
11 organization, as defined by 15 U.S.C. Section 1679a, that complies with the following
12 consumer protections:

13 (i) Obtains a bond in the amount of \$50,000.00, which shall be filed with the
14 Department of Banking and Finance pursuant to rules and regulations promulgated
15 by such department and shall remain in place for at least one year after the credit
16 repair services organization has ceased all activities in this state, and which shall be

17 used to cover administrative fines or civil damages suffered by any buyer or through
18 any enforcement action;

19 (ii) Provides:

20 (I) A written contract to the buyer setting out the services such credit repair services
21 organization provides and the amount that will be due each month for such services;

22 (II) An information statement informing the buyer of the buyer's right to challenge
23 and dispute items on a credit report on the buyer's own; stating that the credit repair

24 services organization will only challenge or dispute items that the buyer affirms are
25 either unfair, inaccurate, or unsubstantiated; and informing the buyer of the right to

26 proceed against the bond along with the name and address of the bond surety; and

27 (III) A notice of cancellation that informs the buyer of the right to rescind the
28 agreement within five business days after entering into the contract and the right to

29 cancel services at any time, along with a preprinted form containing the mailing
30 address of the credit repair services organization; and

31 (iii) Does not engage in debt adjusting, as such term is defined in Code
32 Section 18-5-1."

33 **SECTION 2.**

34 All laws and parts of laws in conflict with this Act are repealed.