

S 3264

Debt Settlement Consumer Protection Act of 2010

Congress: 111 (2009–2011, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Apr 27, 2010

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Apr 27, 2010)

Official Text: <https://www.congress.gov/bill/111th-congress/senate-bill/3264>

Sponsor

Name: Sen. Schumer, Charles E. [D-NY]

Party: Democratic • **State:** NY • **Chamber:** Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. McCaskill, Claire [D-MO]	D · MO		Apr 27, 2010

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Apr 27, 2010

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
111 HR 5387	Identical bill	May 25, 2010: Referred to the House Committee on Financial Services.

Debt Settlement Consumer Protection Act of 2010 - Amends the Consumer Credit Protection Act to prohibit debt settlement providers from providing a debt settlement service or receiving a fee from a consumer without a signed written contract meeting specified requirements.

Prohibits debt settlement providers from engaging in certain acts or practices, including: (1) making loans or offering credit or soliciting or accepting any note, mortgage, or negotiable instrument other than a check signed by the consumer and dated no later than the date of signature; (2) taking a confession of judgment or power of attorney to confess judgment against the consumer or appearing as the consumer or on the consumer's behalf in any judicial or non-judicial proceedings; (3) taking any release or waiver of an obligation to be performed on the part of the debt settlement provider or any right of the consumer; (4) receiving any third-party compensation for providing the consumer with a debt settlement service; or (5) purchasing debts or engaging in debt collection.

Permits debt settlement providers to charge enrollment and settlement fees, but no others.

Requires a debt settlement provider who receives funds from a consumer to hold them for a consumer settlement account in a properly designated trust account in a federally insured depository institution not affiliated with the provider.

Permits a consumer to cancel a contract with a debt settlement provider at any time, in accordance with specified requirements and procedures.

Declares void and unenforceable: (1) a consumer's waiver of any consumer protection or right provided under this Act; and (2) any contract for a debt settlement service that does not comply with this Act.

Prohibits a debt settlement provider from engaging in certain advertising, marketing, or other communication practices except in accordance with specified requirements.

Authorizes the Federal Trade Commission (FTC) to prescribe rules governing advertising and marketing practices, record retention, and provision of accountings to consumers, as well as debt relief service rules.

Subjects a debt settlement provider to civil liability (including punitive damages) for noncompliance with this Act.

Empowers the FTC to enforce this Act. Authorizes a state to bring a civil action in federal court on behalf of its residents for noncompliance with this Act.

Actions Timeline

- **Apr 27, 2010:** Introduced in Senate
- **Apr 27, 2010:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.