

# 1994 SESSION

INTRODUCED

LD3361212

## HOUSE BILL NO. 898

Offered January 25, 1994

*A BILL to amend and reenact § 54.1-3905 of the Code of Virginia, relating to what constitutes the unauthorized practice of law.*

Patron—Dillard

Referred to Committee for Courts of Justice

**Be it enacted by the General Assembly of Virginia:**

**1. That § 54.1-3905 of the Code of Virginia is amended and reenacted as follows:**

§ 54.1-3905. Furnishing advice and services for compensation in connection with certain debt-pooling plans deemed practicing law.

The furnishing of advice or services for compensation to a debtor in connection with a debt-pooling plan pursuant to which the debtor deposits funds for the purpose of distributing them among his creditors, except as authorized for nonprofit agencies pursuant to § 6.1-363.1, shall be deemed to be practicing law. Any person or agency not so authorized or who is not a member of the Virginia State Bar who furnishes or offers to furnish such advice or services for compensation shall be *in violation of this section. However, the management of accounts for a debtor, including making timely or scheduled payments to creditors when there is no contact or negotiation with the creditors on behalf of the debtor, for the purpose of designing a debt liquidation plan which may involve the postponement of payments or reduction of charges (i.e., a debt-pooling plan) does not constitute practicing law or providing debt counseling services. Any person who violates this section shall be guilty of a Class 1 misdemeanor.*

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HB898