CHAPTER 139

An Act to amend and reenact § 6.1-363.1 of the Code of Virginia, relating to nonprofit debt counseling agencies.

[S 875]

Approved March 9, 1995

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-363.1 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-363.1. Operation and licensure.

A. Any person or organization licensed hereunder may operate a nonprofit debt counseling agency, subject to regulations of the State Corporation Commission. Services provided by such agency may include educational programs, advice as to budget management, negotiation with creditors on behalf of a debtor for the purpose of designing a debt liquidation plan which may involve postponement of payment or reduction of charges, administration of debt pooling plans and distribution of payments, and related advice and services. No agency licensed hereunder shall give legal guidance or perform legal services. ~~No~~ *An* agency licensed hereunder ~~shall~~ ~~charge~~ ~~any~~ ~~fee~~ *may charge a monthly fee not to exceed five dollars* to any debtor to whom or on whose behalf it has rendered, is rendering or will render, any service which it is licensed to provide ~~nor~~ *and* shall ~~it~~ *not* receive any *further* compensation from any debtor to whom or on whose behalf it has rendered, is rendering or will render any such service.

B. No person or organization shall operate a debt counseling agency under the provisions of this section at any location or locations within the Commonwealth unless it qualifies under standards set by the State Corporation Commission and has obtained a license from the Commission for each such location. Such license shall be renewed annually. A fee not to exceed $150 may be charged for each license and renewal. Such license shall be subject to suspension or revocation by the Commission for violation of the provisions of this section or regulations promulgated hereunder.

C. The State Corporation Commission may, after reasonable notice and an opportunity for a public hearing, promulgate regulations not inconsistent with the provisions of this section as to the licensure, powers and operation of debt counseling agencies. In addition, such provisions shall include standards for licensure, including nonprofit status and safeguards against conflicts of interests. The Commission may inspect at any time an agency licensed hereunder for the purpose of determining whether such agency is in compliance with the provisions of this section and regulations promulgated pursuant hereto.