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AN ACT

To enact R.S. 9:3534.5, relative to the Louisiana Consumer Credit Law; to provide for the assignment of certain debts; to provide for collection of debts owed to a credit grantor; to provide procedures for such collections; to provide for the validity of the debt owed; to provide for definitions; to provide for the registration of collection agencies; to provide for registration; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 9:3534.5 is hereby enacted to read as follows:

§3534.5. Collection agent; registration; assignment of debt to collector

A. For purposes of this Section, "collection agency" and "debt collector" are synonymous and interchangeable terms and mean any person, other than a licensed Louisiana attorney, who uses any instrumentality of intrastate or interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another, and relative to Louisiana clients, notwithstanding the fact that such person has no employees, offices, equipment, or other physical facilities in this state, or any person who regularly attempts to collect, directly or indirectly, debts owed or due, or asserted to be owed or due another, and who is located in the state regardless of whether the person has Louisiana clients.

1 B. Any collection agency or debt collector doing business in this state
2 shall register with the secretary of state. The secretary of state shall promulgate
3 rules and regulations necessary to provide for the registration required by this
4 Section.

5 C. In any suit brought by a collection agency or debt collector to collect
6 a debt acquired from a client or customer via assignment, an agreement in
7 writing by the such collector to expend time, effort, money, or other resources
8 in pursuit of such debt, and to pay the credit grantor a net percentage of the
9 amount collected on the debt shall be deemed a valid and enforceable
10 assignment pursuant to this Section, and all other applicable laws of Louisiana.

11 D. When such collector attempts the collection of a debt owed a credit
12 grantor, the representation of the credit grantor by such collector shall in all
13 instances be deemed as an assignment and authorization for the purpose of
14 allowing such collector to bring legal action to collect the debt. When such legal
15 action is brought through an attorney licensed to practice law by the Supreme
16 Court of Louisiana it shall not be a violation of any state law, rule, or regulation
17 including but not limited to R.S. 37:212.

18 E. In any suit brought by a collection agency or debt collection to collect
19 the debt of a client or customer, the formal assignment of the debt to such
20 collector shall be presumed valid if a copy of the assignment is filed in court
21 with the petition. If the defendant fails to object to the validity of the
22 assignment prior to the filing of an answer, then the assignment shall be
23 conclusively presumed valid.

24 F. Subsections C and D of this Section shall apply in all instances
25 whether or not the debt is assigned for valuable consideration; whether or not
26 the services performed by the attorney were for the collector alone; whether or
27 not the collector hired the attorney; and whether or not the collector's fees are
28 contingent upon the amount collected by the attorney.

29 Section 2. The provisions of this Section are remedial in nature and shall be applied
30 retroactively in application.

1 Section 3. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____