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An Act Relating to Bad Check Enforcement Programs Operated by Private Entities

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 32 MRSA §11002, sub-§5, as amended by PL 2003, c. 562, §2, is further amended to read:

5. Debt. "Debt" means any obligation or alleged obligation of a consumer to pay money arising out of a transaction in which the money, property, insurance or services that are the subject of the transaction are primarily for personal, family or household purposes, whether or not the obligation has been reduced to judgment. "Debt" includes any obligation or alleged obligation for payment of child support owed to, or owed by, a resident of this State and any obligation or alleged obligation relating to a check returned because of insufficient funds if a consumer is subject to an enforcement program operated by a private entity.

SUMMARY

This bill applies the Maine Fair Debt Collection Practices Act to private companies that operate check diversion programs for district attorneys, requiring that such companies be licensed and bonded and that their initial communications to consumers notify consumers of their right to dispute the validity of the alleged debts.