

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE DRS85017-MH-14 (02/03)

Short Title: Clarify Definition of Collection Agency.

(Public)

Sponsors: Senator Jenkins.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO SPECIFY THAT CERTAIN PERSONS ARE NOT SUBJECT TO THE  
3 STATUTES GOVERNING COLLECTION AGENCIES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 58-70-15 reads as rewritten:

6 "§ 58-70-15. Definition of collection agency and collection agency business.

7 ...

8 (c) "Collection agency" does not mean:

- 9 (1) Regular employees of a single creditor;  
10 (2) Banks, trust companies, or bank-owned, controlled or related firms,  
11 corporations or associations engaged in accounting, bookkeeping or data  
12 processing services where a primary component of such services is the  
13 rendering of statements of accounts and bookkeeping services for creditors;  
14 (3) Mortgage banking companies;  
15 (4) Savings and loan associations;  
16 (5) Building and loan associations;  
17 (6) Duly licensed real estate brokers and agents when the claims or accounts  
18 being handled by the broker or agent are related to or are in connection with  
19 the broker's or agent's regular real estate business;  
20 (7) Express, telephone and telegraph companies subject to public regulation and  
21 supervision;  
22 (8) Attorneys-at-law handling claims and collections in their own name and not  
23 operating a collection agency under the management of a layman;  
24 (9) Any person, firm, corporation or association handling claims, accounts or  
25 collections under an order or orders of any court;  
26 (10) A person, firm, corporation or association which, for valuable consideration  
27 purchases accounts, claims, or demands of another, which such accounts,  
28 claims, or demands of another are not delinquent at the time of such  
29 purchase, and then, in its own name, proceeds to assert or collect the  
30 accounts, claims or demands;

31 (10a) Any person, firm, corporation, or association attempting to collect or  
32 collecting any debt owed or due another or asserted to be owed or due  
33 another to the extent such activity meets one or more of the following  
34 descriptions:

35 a. It is incidental to a bona fide escrow arrangement.



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- 1                    b. It concerns a debt that was originated by such person.
- 2                    c. It concerns a debt that was not in default at the time it was obtained
- 3                    by such person.
- 4                    d. It concerns a debt obtained by such person as a secured party in a
- 5                    commercial credit transaction.
- 6                    (11) Any person attempting to collect or collecting claims, in that person's name,
- 7                    of a business or businesses owned wholly or substantially by that person;
- 8                    (12) Any nonprofit tax exempt corporation organized for the purpose of
- 9                    providing mediation or other dispute resolution services; and
- 10                    (13) The designated representatives of programs as defined by G.S. 110-129(5)."
- 11                    **SECTION 2.** This act becomes effective July 1, 2011.