EXHIBIT A

REVISED UDMSA SECTION 23

[Contemplates no change to the existing UDMSA Section 22]

SECTION 23. FEES AND OTHER CHARGES.

(a) A provider may not impose directly or indirectly a fee or other charge on an individual or receive money from or on behalf of an individual for debt-management services except as permitted by this section.

(b) A provider may not impose charges or receive payment for debt-management services until the provider and the individual have signed an agreement that complies with Sections 19 and 28.

(c) If an individual assents to an agreement, a provider may not impose a fee or other charge for educational or counseling services, or the like, except as otherwise provided in this subsection and Section 28(d). The administrator may authorize a provider to charge a fee based on the nature and extent of the educational or counseling services furnished by the provider.

(d) Subject to adjustment of dollar amounts pursuant to Section 32(f), the following rules apply:

(1) If an individual assents to a plan that contemplates that creditors will reduce finance charges or fees for late payment, default, or delinquency, the provider may charge:

(~~A~~a) a fee not exceeding $50 for consultation, obtaining a credit report, setting up an account, and the like~~; and~~

(~~B~~b) a monthly service fee, not to exceed $10 times the number of creditors remaining in a plan at the time the fee is assessed, but not more than $50 in any month.

(2) ~~If an individual assents~~ If an agreement ~~that~~ contemplates that creditors will settle an individual's debts for less than the principal amount of the debt, a provider may charge:

~~(A) subject to Section 19(d), a fee for consultation, obtaining a credit report, setting up an account, and the like, in an amount not exceeding the lesser of $400 and four percent of the debt in the plan at the inception of the plan; and~~

~~(B) a monthly service fee, not to exceed $10 times the number of creditors remaining in a plan at the time the fee is assessed, but not more than $50 in any month.~~

(a) compensation for services in connection with settling a debt may not exceed, with respect to each debt, 30 percent of the excess of the principal amount of the debt over the amount paid the creditor pursuant to the agreement, and

(b) if the debt is to be settled by installment payments,

(i) the provider may receive this compensation in installments, made simultaneously with the individual's installment payments to the creditor, but

(ii) any such installment of the compensation may not be a greater percentage of the provider's total compensation for settlement of that debt than the simultaneous payment to the creditor is of the entire settlement amount for that debt.

(3) A provider that receives fees under paragraph (d)(2) may not also impose or receive fees under ~~both~~ paragraphs (d)(1) ~~and (2)~~.

(~~4~~) Except as otherwise provided in Section 28(d), if an individual does not assent to an agreement, a provider may receive for educational and counseling services it provides to the individual a fee not exceeding $100 or, with the approval of the administrator, a larger fee. The administrator may approve a fee larger than $100 if the nature and extent of the educational and counseling services warrant the larger fee.

(e) If, before the expiration of 90 days after the completion or termination of educational or counseling services, an individual assents to an agreement, the provider shall refund to the individual any fee paid pursuant to subsection (d)(~~4~~).

(f) ~~Except as otherwise provided in subsections (c) and (d), if an agreement contemplates that creditors will settle an individual's debts for less than the principal amount of the debt, compensation for services in connection with settling a debt may not exceed, with respect to each debt:~~

~~(1) 30 percent of the excess of the principal amount of the debt over the amount paid the creditor pursuant to the agreement, less~~

~~(2) to the extent it has not been credited against an earlier settlement fee:~~

~~(A) the fee charged pursuant to subsection (d)(2)(A); and~~

~~(B) the aggregate of fees charged pursuant to subsection (d)(2)(B). (g)~~ Subject to adjustment of the dollar amount pursuant to Section 32(f), if a payment to a provider by an individual under this [act] is dishonored, a provider may impose a reasonable charge on the individual, not to exceed the lesser of $25 and the amount permitted by law other than this [act].

(g) A provider may not request or receive any compensation from or on behalf of an individual unless:

(1) the provider has secured the assent of the individual and at least one creditor of the individual to a change in the terms of a debt, and

(2) the individual has made one payment pursuant to the plan.[1]

[1] For a debt management plan that involves renegotiation of all the consumer's eligible debts at one time, "one payment pursuant to the plan" shall refer to an individual's first payment to the provider for distribution to creditors.

(h) Nothing in Section 23(g) prohibits requesting or requiring each individual to whom the provider is furnishing debt-management services to place funds in an account to be used for the provider's fees and for payments to creditors, provided that:

(1) The funds are held in an account at a Bank as defined in Section 2(4);

(2) The individual owns the funds held in the account and is paid accrued interest on the account, if any;

(3) The person administering the account is not owned or controlled by, or in any way affiliated with, the provider;

(4) The person administering the account does not give or accept any money or other compensation in exchange for referrals of business involving the debt-management services; and

(5) The individual may withdraw from the debt relief service at any time without penalty, and must receive all funds in the account, other than funds earned by the debt relief service in compliance Section 28 of this [act].