

# **DEPARTMENT OF LAW**

## **Administrator – Uniform Consumer Credit Code**

### ***FEES CHARGED TO CONSUMERS FOR DEBT-MANAGEMENT SERVICES RULES***

#### ***4 CCR 902-2***

#### **Rule 4. Fees Charged to Consumers for Debt-Management Services**

##### **a) Definitions**

- 1) “Concessions” means assent to repayment of a debt on terms more favorable to an individual than the terms of the contract between the individual and a creditor.
- 2) “Principal amount of the debt” means the amount of a debt at the time of the agreement.
- 3) “Provider” means a person that provides, offers to provide, or agrees to provide debt-management services directly or through others.

##### **b) Fee Caps.**

- 1) A provider may calculate fees based on the total principal amount of the debt enrolled with the provider or the concessions to the consumer as follows:
  - i. The total amount of the fees claimed, demanded, charged, collected, or received under the agreement by a provider for fees calculated based on the total principal amount of the debt enrolled with the provider shall be no greater than 15 percent of the total principal amount of the debt enrolled.
  - ii. The total amount of the fees claimed, demanded, charged, collected, or received under the agreement for fees calculated based on the total concessions to the consumer shall be no greater than 30 percent of the total concessions actually negotiated by the provider. The total concessions shall be calculated as the difference between the total principal amount of the debt that is stated in the agreement and the total amount of concessions that the debtor actually pays to settle all the debts included in the agreement, provided that only concessions actually negotiated by the provider may be counted.

##### **c) Disclosures.**

- 2) The provider shall clearly and conspicuously disclose the fee structure and explain the fee structure to the consumer in the agreement.