

HOUSE RESEARCH

Bill Summary

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Overview

This bill generally exempts out-of-state collection agencies collecting from Minnesota residents on behalf of out-of-state creditors from the Minnesota requirements that agencies be licensed and bonded. However, it continues Minnesota jurisdiction over prohibited collection practices for those agencies.

- 1 **Collection agency.** Limits the definition of a collection agency to those engaged in collection of accounts or debts on behalf of Minnesota creditors.
- 2 **Collector.** Again, limits the definition of a collector to those who collect on behalf of Minnesota creditors.
- 3 **Out-of-state collection agency.** Provides that a collection agency is not subject to Minnesota collection agency regulations if the agency's only activity in Minnesota consists of collecting debts for out-of-state creditors from Minnesota residents using interstate communication such as faxes, mail, or telephone from a location in another state. However, if such an agency violates Minnesota laws on prohibited collection practices, Minnesota would have jurisdiction to enforce those laws.