

2023 Kansas Statutes

- 50-1121. Prohibited acts.** No person required to be licensed under this act shall: (a) Delay payment of a consumer's debt for the purpose of increasing interest, costs, fees or charges payable by the consumer.
- (b) Make any misrepresentation of any material fact or false promise to:
- (1) Influence, persuade or induce a consumer to enter into a debt management services agreement; or
- (2) cause or contribute to any misrepresentation by any other person acting on such person's behalf.
- (c) Make or use any false or misleading representation in the offer or sale of the services of a debt management services agreement or credit services organization business.
- (d) Engage, directly or indirectly, in any fraudulent or deceptive act, practice or course of business in connection with the offer or sale of the services of a credit services organization.
- (e) Make, or advise a consumer to make, any statement with respect to a consumer's credit worthiness, credit standing or credit capacity that is false or misleading, or that should be known by the exercise of reasonable care to be false or misleading, to a consumer reporting agency or to a person who has extended credit to a consumer or to whom a consumer is applying for an extension of credit.
- (f) Advertise or cause to be advertised the services of a credit services organization to Kansas consumers without first obtaining proper licensure from the commissioner.
- (g) Receive compensation for rendering debt management services where the person has otherwise acted as a creditor for the consumer.
- (h) Transfer, assign or attempt to transfer or assign, a license to any other person.
- (i) Conduct credit services organization activities using any name other than the name or names approved by the commissioner.
- (j) Operate as a collection agency.
- (k) Receive or charge any fee in the form of a promissory note or other promise to pay.
- (l) Accept or receive any reward, bonus, premium, commission or any other consideration for referring a consumer to any person.
- (m) Give a reward, bonus, premium, commission or any other consideration for the referral of a consumer to the licensee's credit services organization business and charge the consumer for the amount.
- (n) Lend money or provide credit to a consumer.
- (o) Obtain a mortgage or other security interest in real or personal property owned by a consumer.
- (p) Structure a debt management services agreement in any manner that would result in a negative amortization of any of the consumer's debts.
- (q) Charge for or provide credit insurance.
- (r) Purchase any debt or obligation of a consumer.
- (s) Use any communication which simulates in any manner a legal or judicial process, or which gives the false appearance of being authorized, issued or approved by a government, governmental agency or attorney-at-law.
- (t) While operating as a licensee, or a director, manager or officer of such licensee, be a director, manager, officer or owner of any creditor or a subsidiary of any such creditor, that is receiving or will receive payments from the licensee on behalf of a consumer with whom the licensee has entered into a debt management services agreement.
- (u) Attempt to cause a consumer to waive or agree to forego rights or benefits under this act.

History: L. 2004, ch. 22, § 6; L. 2017, ch. 52, § 17; July 1.