



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

DIVISION OF CONSUMER AFFAIRS

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(615) 741-4737

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RE: Conduct as a credit services business or debt adjuster

Dear Credit Counseling Service:

Thank you for inquiring about Tennessee laws applicable to credit/debt businesses (credit services businesses and debt adjusters). There are two statutes that govern the activities of credit repair businesses, the unfair or deceptive trade practices section of the Tennessee Consumer Protection Act of 1977, codified at Tenn. Code 47-18-104(b)(39) and the Tennessee Credit Services Businesses Act, codified at Tenn. Code Ann. 47-18-1002 *et seq.* Investigating consumer complaints and enforcing these statutes is the responsibility of the Tennessee Division of Consumer Affairs.

The Credit Services Businesses Act requires that a one hundred thousand dollar (\$100,000) bond be filed with the Department of Commerce and Insurance. This bond may be made through a deposit of cash, a certificate of deposit, securities, or with a corporate surety acceptable to the Commissioner of the Department of Commerce and Insurance. Attached is a bond application. Additionally, a true and exact copy of the current contract your clients sign must be on file with the Division of Consumer Affairs.

Attached are copies of the Credit Services Businesses Act and the statute applicable to debt adjusters. It is your responsibility to review them and determine the applicability to the activities of your existing or proposed business. The definition of "credit services business" may be found at Tenn. Code Ann. 47-18-1002. The definition of "debt adjusting" is located at Tenn. Code Ann. 47-18-104(b)(39)(C). Should you conclude that your existing or proposed business does not meet the definition of a credit services business, please provide a notarized statement, outlining the specific reasons for your conclusion.

Please provide all responsive information within thirty (30) days from the date of receipt of this letter.