

### **533A.8 Written contract required.**

1. Each licensee shall make a written contract between the licensee and a debtor and shall immediately and before collecting any fee, furnish the debtor with a true copy of the contract. The contract shall set forth the complete list of creditors who are to receive payments under the contract, the total charges agreed upon for the services of the licensee, a statement of how the charges are to be paid, and the beginning and expiration date of the contract. No contract shall extend for a period longer than thirty-six months.
2. Each licensee shall maintain a separate bank trust account in which all payments received from debtors for the benefit of creditors shall be deposited and in which all payments shall remain until a remittance is made to either the debtor or the creditor. Every licensee shall keep, and use in the licensee's business, books, accounts and records which will enable the superintendent to determine whether such licensee is complying with the provisions of this chapter and with the rules and regulations of the superintendent. Every licensee shall preserve such books, accounts and records for at least seven years after making the final entry on any transaction recorded therein.
3. Each licensee shall keep complete and adequate records during the term of the contract and for a period of five years from the date of cancellation or completion of the contract with each debtor, which records shall contain complete information regarding the contract, extensions thereof, payments, disbursements, and charges, which records shall be open to inspection by the superintendent and the superintendent's duly appointed agents during normal business hours.
4. Each licensee shall make remittances to creditors within forty-five days after initial receipt of funds, and thereafter remittances shall be made to creditors within thirty days of receipt, less fees and costs, unless the reasonable payment of one or more of the debtor's obligations requires that such funds be held for a longer period so as to accumulate a sum certain.
5. Each licensee shall, upon request, furnish the debtor a written statement of the debtor's account monthly or a verbal accounting at any time the debtor may request it during normal business hours. A monthly written statement of disbursements made and fees deducted from the debtor's account shall be made to the debtor, whether the debtor requests it or not.
6. A licensee shall not receive any fee unless the licensee has the consent of at least fifty percent of the total number of the creditors listed in the licensee's contract with the debtor, or such a like number of creditors have accepted a distribution of payment. The debtor shall be informed by the licensee of those creditors who have not agreed to the licensee's handling of the account. No licensee shall accept an account unless a written and thorough budget analysis has been performed which indicates that the debtor can meet the requirements determined by the budget analysis.
7. In the event a compromise of a debt is arranged by the licensee with any one or more creditors, the debtor shall have the full benefit of such compromise.

[C71, 73, 75, 77, 79, 81, § 533A.8]