

**533A.11 Unlawful acts of licensee.**

It is unlawful and a violation of [this chapter](#) for the holder of any license issued under [this chapter](#):

1. To purchase from a creditor any obligation of a debtor.
2. To operate as a collection agent and as a licensee as to the same debtor's account without first disclosing in writing such fact to both the debtor and creditor.
3. To execute any contract or agreement to be signed by the debtor unless the contract or agreement is fully and completely filled in and finished.
4. To receive or charge any fee in the form of a promissory note or other promise to pay, or receive or accept any mortgage or other security for any fee, both as to real or personal property.
5. To pay any bonus or other consideration to any individual, agency, partnership, unincorporated association, or corporation for the referral of a debtor to the licensee's business, or to accept or receive any bonus, commission, or other consideration for referring any debtor to any individual, partnership, unincorporated association, agency, or corporation for any reason.
6. To advertise the licensee's services, display, distribute, broadcast, or televise, or permit to be displayed, advertised, distributed, broadcast, or televised the licensee's services in any manner inconsistent with the law.
7. To make, or facilitate the debtor in making, any false or misleading claim regarding a creditor's right to collect a debt.
8. To dispute, or facilitate the debtor in disputing, the validity of a debt absent a good faith belief by the debtor that the debt is not validly owing.
9. To challenge a debt without the written consent of the debtor.
10. To provide or offer to provide legal advice or legal services, including but not limited to the negotiation of payments or the settlement of a debtor's delinquent account that is subject to pending litigation, unless the person providing or offering to provide legal advice is licensed to practice law in the state in which the debtor resides.
11. To execute a power of attorney or any other written agreement that extinguishes or limits the debtor's right to contact or communicate with any creditor.
12. To take a wage assignment, a lien of any type on real or personal property, or other security to secure the payment of compensation. Any such security is void and unenforceable.
13. To induce or attempt to induce a debtor to enter into a contract which does not comply in all respects with the requirements of [this chapter](#).
14. Where applicable, to make any statements, or allow a third party marketing or selling the licensee's program to make any statements, in the course of advertising or solicitation that contradicts the disclosures required by [section 533A.8](#).
15. When the licensee's program is a debt settlement program, the following:
  - a. To advise a debtor to stop making payments to creditors.
  - b. To lead a debtor to believe that a payment to a creditor is in settlement of a debt to the creditor unless the creditor provides a written certification or confirmation that the payment is in full settlement of the debt, or is part of a payment plan that is in full settlement of the debt.
  - c. To make any of the following representations:
    - (1) The licensee will furnish money to pay bills or prevent attachments.
    - (2) Payment of a certain amount will guarantee satisfaction of a certain amount or range of indebtedness.
    - (3) Participation in a program will prevent debt collection calls, litigation, garnishment, attachment, repossession, foreclosure, eviction, or loss of employment.
    - (4) Participation in a program will not harm the debtor's credit report or credit score.
    - (5) Participation in a program will prevent the debtor from having to declare bankruptcy.
    - (6) That the licensee is authorized or competent to furnish legal advice or perform legal services, including but not limited to the negotiation of payments or the settlement of a debtor's delinquent account that is subject to pending litigation.

(7) That the licensee's negotiations with creditors will result in the elimination of adverse information on the debtor's credit report.

[C71, 73, 75, 77, 79, 81, §533A.11]

90 Acts, ch 1100, §2; 2009 Acts, ch 34, §7