

SB 0385**Member Name:** Carrie Taylor**Email:** carrie.taylor@mcmcg.com**Position:** Supports SB 0385

Amendment to sec. 915a of 1980 PA 299 (339.915a)

Comment:

To Whom It May Concern:

I'm a Michigan attorney (P# 66922) writing in connection with Senate Bill 385 (authored by Senator Stamas), which would open up significant opportunities for Michigan attorneys to obtain in-house counsel roles. The bill would remove Michigan's outdated restriction – a restriction which makes the state an outlier in comparison to the rest of the country – on collection agencies' hiring of in-house attorneys. This legislation would create significant job growth for Michigan attorneys, and would also attract more businesses to the state and bolster collection agencies' ability to ensure full compliance with all applicable federal and state laws governing the credit and collections industry. For these reasons, I am asking the Michigan State Bar to support SB 385.

Michigan law's arcane restriction on collection agencies hiring in-house counsel makes little sense, particularly in light of the fact that the credit and collections industry is heavily regulated. On the federal level, the Federal Trade Commission and Consumer Financial Protection Bureau regulate the industry, and it is subject to numerous complex federal laws including the:

- Fair Debt Collection Practices Act, 15 USC § 1692 et seq.,
- Fair Credit Reporting Act, 15 USC § 1681 et seq.,
- Gramm-Leach-Bliley Act, 15 U.S.C §§ 6801 et seq., and
- Telephone Consumer Protection Act, 47 USC § 227.

In addition to the web of federal laws Michigan collection agencies must comply with, on the state level collection agencies operate under several laws, including MCL §445.251 et seq. and MCL §339.901 et seq., which requires licensing, and prohibits misleading and deceptive communications as well as a host of other misconduct.

More than ever, as both our federal and state regulatory environments have grown increasingly complex, it is critical that collection agencies be allowed to employ in-house counsel. In-house counsel are essential for collection agencies to reduce their legal risks, and ensure that interactions with consumers are fully compliant with all applicable federal and state laws. Key in-house counsel functions needed for a collection agency include compliance counsel, ethics counsel, litigation counsel, contracts counsel, and securities counsel. Collection agencies will benefit greatly from having in-house attorneys devoted full time to overseeing the agency's day-to-day operations, directing the agency on how to ensure full compliance with all legal and ethics requirements. At the same time, in-house counsel will work closely with external law firm counsel on various litigation,

compliance, licensing, securities filings, and an array of other matters.

Undoubtedly, SB 385 will bring enormous opportunities for Michigan attorneys, and I urge the Michigan State Bar to support this important legislation.

Very truly yours,

Carrie D. Taylor, Esq. (MI: P# 66922, FL 11453)