
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2077 Session of
2007

INTRODUCED BY FRANKEL, BENNINGTON, BRENNAN, COSTA, DERMODY,
GIBBONS, HARKINS, JAMES, JOSEPHS, MARSHALL, R. MILLER,
MUSTIO, PARKER, PETRI, RAYMOND, REED, K. SMITH, TURZAI,
WAGNER, WALKO, WHEATLEY, J. WHITE AND YOUNGBLOOD,
DECEMBER 4, 2007

REFERRED TO COMMITTEE ON COMMERCE, DECEMBER 4, 2007

AN ACT

1 Amending Title 18 (Crimes and Offenses) of the Pennsylvania
2 Consolidated Statutes, further providing for the offense of
3 debt pooling.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Section 7312 of Title 18 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 § 7312. Debt pooling.

9 (a) Offense defined.--Any person engaged in the business of
10 debt pooling shall be guilty of a misdemeanor of the third
11 degree.

12 (b) Exceptions.--Subsection (a) of this section shall not
13 apply to:

14 (1) Any person who is admitted to practice before the
15 Supreme Court of Pennsylvania or any court of common pleas of
16 this Commonwealth or any partnership or professional
17 corporation all of the members or shareholders of which are

1 so admitted.

2 (2) Better business bureaus, legal aid societies[,] or
3 welfare agencies who act without compensation or profit on
4 behalf of debtors as debt adjusters or debt poolers.

5 (3) Organizations in the business of debt adjusting or
6 debt pooling that are exempt from taxation under section
7 501(c)(3) of the Internal Revenue Code of 1986 (Public Law
8 99-514, 26 U.S.C. § 501(c)(3)) or any successor provisions
9 thereof.

10 (c) Definitions.--As used in this section the following
11 words and phrases shall have the meanings given to them in this
12 subsection:

13 "Creditor." A person to whom a debt or obligation is owed
14 from another whether such is payable in installments or
15 otherwise.

16 "Debtor." A person who owes an obligation or debt to another
17 whether such is repayable in installments or otherwise.

18 "Debt pooling." The making of a contract, express or
19 implied, with a debtor or debtors whereby the debtor agrees to
20 pay a sum of money periodically or otherwise to another person
21 for the purpose of having such other person distribute the same
22 among certain specified creditors in accordance with a plan
23 agreed upon, or to be agreed upon, and whereby such other person
24 shall receive a consideration for any such services rendered, or
25 to be rendered, in connection therewith.

26 Section 2. This act shall take effect immediately.