



**Attention: Law Change Impacting Michigan Collection Agencies\***

Recent legislation effective **March 13, 2018**, amends Article 9 of the Michigan Occupational Code, 1980 PA 299. Senate Bill 385 (now [2017 PA 197](#)) will allow a collection agency to employ an attorney under certain conditions. This was signed into law on December 13, 2017. This information is provided as a courtesy to Michigan Collection Practice licensees.

Highlights of 2017 PA 197 include the following changes to [MCL 339.915a](#):

Sec. 915a. (1) A licensee shall not commit any of the following acts:

- Listing the name of an attorney in a written or oral communication, collection letter, or publication in an attempt to collect a debt on behalf of a person other than the licensee or an affiliate of the licensee. *This subdivision does not apply if the attorney is an employee of the licensee and is engaged in collecting claims owned by the licensee or an affiliate of the licensee. MCL 339.915a(a).*
- Furnishing legal advice, or otherwise engaging in the practice of law, or representing that the person is competent to do so, or to institute a legal action on behalf of another person. *This subdivision does not apply to an attorney who is an employee of the licensee and is furnishing legal advice to or representing the interests of the licensee or an affiliate of the licensee.* However, an attorney who is an employee of a licensee may not institute a legal action to collect a claim unless the claim is owned by the licensee or an affiliate of the licensee. *MCL 339.915a(b).*
- Sharing quarters or office space with a lender or with a practicing attorney who is not an employee of the licensee. *This subdivision does not prohibit a licensee from occupying a separate space in the same*

*building in which a practicing attorney has office space or sharing a common waiting area with a practicing attorney. MCL 339.915a(c).*

- *Employing or retaining an attorney to collect a claim, unless the claim is owned by the licensee or an affiliate of the licensee. However, a licensee may exercise authority on behalf of a creditor to retain an attorney if the creditor has specifically authorized the collection agency in writing to do so and the licensee's course of conduct is at all times consistent with a true relationship of attorney and client between the attorney and the creditor. After referral to an attorney, the creditor is the client of the attorney, and the licensee shall not represent the client in court. The licensee may act as an agent of the creditor in dealing with the attorney only if the creditor has specifically authorized the licensee to do so in writing. MCL 339.915a(d).*

To view the revised statutes to ensure compliance, please access the statutes for the collection practices occupation at the following link:

[Article 9](#)

\*Note: This communication was emailed to Collection Practice licensees on February 7, 2018.