

Bureau of Professional Licensing Collection Practices FAQ (PA 299 of 1980)

The answers provided are not meant to be a substitute for legal advice.

The law applicable to this profession is found at the following link:

<http://legislature.mi.gov/doc.aspx?mcl-act-299-of-1980>

<http://legislature.mi.gov/doc.aspx?mcl-299-1980-9>

<http://legislature.mi.gov/doc.aspx?mcl-600-2952> <http://legislature.mi.gov/doc.aspx?mcl-174-1962-9>

<http://legislature.mi.gov/doc.aspx?mcl-act-27-of-1950-ex-sess->

Contact Information:

Department of Licensing and Regulatory Affairs
Bureau of Professional Licensing
Licensing Division
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(517) 241-0199
BPLHelp@michigan.gov

1. What are the requirements for a collection agency manager license?

Article 9, section 911 of the Occupational Code, Act 299 of 1980, provides that the Department shall issue a collection agency manager's license or a collection agency license to an individual who meets all of the following requirements:

- Has a high school diploma or demonstrates to the satisfaction of the department that the applicant possesses the equivalent of a high school education.
- Has had at least 6 months of full-time experience in the collection of accounts.
- Has passed the examination approved by the department.
- Is at least 18 years of age.
- Is of good moral character.

2. Does each branch office need a license?

Yes. A license is required for each separate place of business.

3. Can a manager supervise more than one office?

No.

4. What material is covered on the Collection Agency Manager License exam?

See page 5 and 6 of the PSI Services LLC Candidate Information Bulletin:

<http://www.psiexams.com/>.

5. What is the exam format?

The exam consists of 50 multiple-choice questions to be completed within 75 minutes. Additional information can be obtained from <http://www.psiexams.com/>.

6. How do I schedule a time to take the exam?

To schedule you for the next upcoming exam, the Department will review your completed collection manager application and will advise PSI of your eligibility to test. Once the Department notifies you of your eligibility, you contact PSI directly at <http://www.psiexams.com/> or call PSI at (800)733-9267

7. What do I need to bring to the exam?

See page 3 and 4 of the PSI Services LLC Candidate Information Bulletin:

<http://www.psiexams.com/>.

8. Where do I go for the exam?

See page 3 of the PSI Services LLC Candidate Information Bulletin:

<http://www.psiexams.com/>. There are five locations throughout Michigan.

9. What score is required to pass the exam?

Answer: Candidates must score 70% or higher in order to pass the exam.

10. What type of bond is required?

Applicants for the collection agency license must obtain a surety bond or cash bond in the amount of \$5,000 for the first year of operation. The amount of the bond for subsequent years will be based upon the amount of average monthly business as reported on an Annual Report of Business and Operations, which must be filed with the Department each year.

11. What is a surety bond?

The Merriam-Webster dictionary defines a surety bond as "a bond guaranteeing performance of a contract or obligation."

12. How do I get a surety bond?

Contact your insurance agent or company to assist you with obtaining a surety bond. If you do not have an insurance agent or company, you may search for companies that are known to provide surety bonds at the following link: www.michigan.gov/difs.

13. What changes to my agency need to be reported to the Department?

A collection agency license is not transferable to another person or location. Notification of changes in the corporate structure, partnership, name, or address shall be submitted in writing within 30 days after the date of the change.

14. What are the license application fees?

Agency application - \$225, Non-owner manager application - \$85

15. Who do I contact for more information?

Department of Licensing and Regulatory Affairs, Bureau of Professional Licensing, Licensing Division, PO BOX 30670, Lansing, MI 48909; email BPLHelp@michigan.gov or call (517) 241-0199.