

2016 Kansas Statutes

50-1117. Same; definitions. Definitions as used in this act: (a) "Commissioner" means the state bank commissioner.

(b) "Consumer" means an individual who is a resident of this state.

(c) "Credit services organization" means a person who engages in, or holds out to the public as willing to engage in, the business of debt management services for a fee, compensation or gain, or in the expectation of a fee, compensation or gain.

(d) "Debt management service" means:

(1) Receiving or offering to receive funds from a consumer for the purpose of distributing the funds among such consumer's creditors in full or partial payment of such consumer's debts;

(2) improving or offering to improve a consumer's credit record, history or rating; or

(3) negotiating or offering to negotiate to defer or reduce a consumer's obligations with respect to credit extended by others.

(e) "Insolvent" means a person whose debts exceed their assets.

(f) "Law firm" means a lawyer or lawyers in a law partnership, professional corporation, sole proprietorship or other association authorized to practice law; or lawyers employed in a legal services organization or the legal department of a corporation or other organization.

(g) "Person" means any individual, corporation, partnership, association, unincorporated organization or other form of entity, however organized, including a nonprofit entity.

(h) "Related interest" means a person:

(1) With respect to an individual who is:

(A) The spouse of the individual;

(B) a brother, brother-in-law, sister, sister-in-law of the individual;

(C) an ancestor or lineal descendant of the individual or the individual's spouse; and

(D) any other relative, by blood, adoption or marriage, of the individual or such individual's spouse who shares the same residence with the individual.

(2) With respect to a corporation, partnership, association, unincorporated organization or other form of entity, however organized, including a nonprofit entity, which is:

(A) Directly or indirectly controlling, controlled by or under common control by a person; or

(B) an officer or director of a person or a person performing similar functions.

(i) "Registrant" means a person who is registered by the commissioner as a credit services organization.

(j) "Trust account" means an account established by the applicant or registrant in a federally insured financial institution used to hold funds paid by consumers to a credit services organization for disbursement to creditors of consumers that is designated as a trust account or other appropriate designation indicating the funds in the account are:

(1) Not funds of the applicant or registrant or its owners, officers or employees; and

(2) unavailable to creditors of the applicant or registrant.

History: L. 2004, ch. 22, § 2; L. 2012, ch. 161, § 17; May 31.