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TO: Senate Financial Institutions and Insurance Committee

FROM: Jeff Witherspoon Executive Director- Consumer Credit Counseling Service, INC

DATE: February 1, 2017

RE: SB 87

Mr. Chairman and members of this committee. I appreciate this opportunity to testify in support of SB 87 and to make improvements to the current Kansas Credit Services Organizations Act (CSO).

My agency, Consumer Credit Counseling Service, Inc. Of Salina and Wichita, Kansas, helped provide input to the original drafting of the CSO Act in 2004 and we are one of the agencies that are currently regulated under the Act. After it went into effect, many credit counseling agencies stopped conducting business in Kansas because of the regulations in the Act that eliminated the charging of exorbitant fees by some companies, and from the work of enforcement by the Office of the State Bank Commissioners Office. This Act has been vital in helping protect Kansas consumers from Credit Counseling Agencies that were taking advantage of our fellow citizens.

As in many things in life, some of the provisions of the original act now need to be readdressed, especially when it comes to the fee structures that are currently allowed under the Act. When the Act was originally put into place 13 years ago, the fees that Credit Services Organizations were allowed to charge for services were appropriate for the time. As the cost of conducting business has risen, it is now becoming difficult for agencies to cover their cost of financial counseling. Therefore, I strongly urge this committee approve the suggested changes to the CSO Act, especially when it comes to the fee increases. These fees are reasonable and are more in line with our actual costs of doing business.

In coming up with the new proposed adjustments to the Act, my input and suggestions were solicited by the staff of the Office of The State Bank Commissioner. I feel comfortable that the changes to the current Act would be a fair and equitable compromise for both Kansas consumers and the Credit Counseling Agencies that would be regulated by the ACT. This bill will also keep in place the duties and responsibilities of the Credit Counseling Agencies to provide high quality counseling to the clients they serve and to give them financial advice and options they need in solving their financial situations.



In conclusion, Consumer Credit Counseling Service, Inc. is in full support of all of the changes suggested in SB 87. As a Kansas CSO, it is our firm belief that these changes will keep in place the fundamental protection that Kansas consumers are currently receiving under the CSO Act, while allowing legitimate Credit Counseling Agencies to charge reasonable fees for the services they provide. I hope you will support the changes to the Act and I appreciate the opportunity to give my support for SB 87 and to thank the committee for its consideration of this bill.