
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **663**

Session of
1961

MESSRS. ROONEY, PECHAN AND STROUP, IN PLACE,
MAY 22, 1961.

AS REPORTED FROM COMMITTEE ON JUDICIARY, AS
AMENDED, IN HOUSE OF REPRESENTATIVES, JUNE 21, 1961.

AN ACT

Amending the act of June 24 1939 (P L 872) entitled "An act to consolidate amend and revise the penal laws of the Commonwealth" prohibiting debt pooling business voiding contracts for debt pooling and providing penalties

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows

- 1 Section 1 The act of June 24 1939 (P L 872) known as "The
2 Penal Code" is amended by adding after section 897 a new section to

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through is to be omitted from bill. Underscoring indicates new matter added to existing law. [Brackets] indicate matter stricken from existing law.

1 read

2 Section 898 Debt Pooling (a) For the purpose of this section

3 (1) "Debtor" shall mean a person who owes an obligation or debt
4 to another whether such is repayable in installments or otherwise

5 (2) "Creditor" shall mean a person to whom a debt or obligation
6 is owed from another whether such is payable in installments or other-
7 wise

8 (3) "Debt pooling" shall mean the making of a contract express or
9 implied with a debtor or debtors whereby the debtor agrees to pay a
10 sum of money periodically or otherwise to another person for the pur-
11 pose of having such other person distribute the same among certain
12 specified creditors in accordance with a plan agreed upon or to be
13 agreed upon and whereby such other person shall receive a considera-
14 tion for any such services rendered or to be rendered in connection
15 therewith

16 (b) Any person engaged in the business of debt pooling shall
17 be guilty of a misdemeanor and upon conviction thereof shall be
18 sentenced to pay a fine of not less than one hundred dollars (\$100)
19 nor more than five hundred dollars (\$500) or to imprisonment in

1 the county jail for not more than thirty days (30) days or both Any
2 contract for debt pooling shall be void and unenforceable

3 (c) The provisions of this act shall not apply to any person who
4 is admitted to practice before the Supreme Court of Pennsylvania
5 or any court of common pleas within the State nor to any partnership
6 all the members of which are admitted to practice before the Supreme
7 Court of Pennsylvania or any court of common pleas within the
8 State nor to employees making collections for their employer nor
9 shall it apply to Better Business Bureaus Legal Aid Societies or wel-
10 fare agencies who act without compensation or profit on behalf of
11 debtors as debt adjusters or debt poolers

12 Section 2 This act shall take effect immediately

We certify that this bill has passed the Senate and the House of Representatives.

.....
Chief Clerk, Senate

.....
President pro tempore, Senate

.....
Speaker, House of Representatives

Approved The day of A. D. 1961.

.....
Governor