

17-24-306.Bond.

(a)The State Board of Collection Agencies shall require each licensee to secure a bond in an amount not less than five thousand dollars (\$5,000) nor more than twenty-five thousand dollars (\$25,000) for each location, with the security on the bond to be approved by the board. It is the specific intent of this chapter to permit the posting of a surety bond, certificate of deposit, or cash bond.

(b)This bond shall provide that the person, partnership, association, or corporation giving the bond shall, upon written demand, pay and turn over to or for the person, partnership, association, or corporation from whom any account, bill, or other indebtedness is taken for collection in accordance with the terms of the agreement upon which it was received for collection.

(c)The aggregate liability of the surety for all breaches of the conditions of the bond shall, in no event, exceed the amount of the bond. The surety shall have a right to cancel such bond upon giving thirty (30) days' notice to the board and thereafter shall be relieved of liability for any breach of condition occurring after the effective date of the cancellation.

(d)This bond shall be made payable to the State Board of Collection Agencies.

(e)(1)The board may promulgate regulations under which it can disburse bond funds to claimants.

(2)If the bonds are insufficient to satisfy all legitimate claims the board shall distribute the funds pro rata among the claimants. In the discretion of the board, it may require the sureties to deal directly with the claimants pursuant to regulations promulgated by the board.

History. Acts 1965, No. 145, § 6; 1979, No. 179, § 1; A.S.A. 1947, § 71-2006; Acts 1989, No. 792, § 1; 1991, No. 126, § 4; 1999, No. 1500, § 2.