

## North Dakota

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### Summary

License is required for in-state active and passive debt buyers.

License is required for out-of-state active and passive debt buyers.

A surety bond is required.

### Resources

Licensing Information:

<http://mortgage.nationwidelicencingsystem.org/slr/PublishedStateDocuments/ND-Collection-Agency-License-Company-Description.pdf>

Statutes: <http://www.legis.nd.gov/cencode/t13c05.pdf?20151001220746>

Rules: <http://www.legis.nd.gov/information/acdata/pdf/13-04-02.pdf?20151004123420>

### Statutory Provisions

#### **13-05-01.1. Definitions.**

As used in this chapter, unless the context or subject matter otherwise requires:

1. "Collection agency" means a person or entity who, in the ordinary course of business, engages in debt collection.
2. "Commissioner" means the commissioner of financial institutions.
3. "Communication" means the conveyance or receipt of information regarding or facilitating the collection of a debt, directly or indirectly, to or from any person through any medium.
4. "Creditor" means a person who offers or extends credit creating a debt or to whom a debt is owed, but that term does not include a person to the extent that that person receives an assignment or transfer of a debt in default solely for the purpose of facilitating collection of that debt.
5. "Debt" means an obligation or alleged obligation to pay money arising out of a transaction, whether or not the obligation has been reduced to a judgment.
6. "Debt collection" means the act of collecting or attempting to collect, directly or indirectly, debts owed or due or asserted to be owed or due another. As used in this chapter, this term also includes solicitation of debts for the purpose of collection and accepting assignment of debts for the purpose of collection.

#### **13-05-02. Collection agency license required.**

Except as otherwise provided in this chapter, no person, other than a collection agency licensed and authorized under this chapter, may engage in debt collection in the state of North Dakota without a collection agency license issued by the commissioner. A person engages in debt collection in North Dakota if the debtor resides in North Dakota.

#### **13-05-02.3. Entities exempt from licensing requirements.**

This chapter does not apply to:

1. Attorneys at law who are licensed to practice in the state of North Dakota. This exemption is limited to the actions of the licensed attorney and does not extend to persons either employed by the attorney or acting on behalf of the attorney;
2. Licensed real estate brokers;
3. Banks;

4. Trust companies;
5. Building and loan associations;
6. Credit unions;
7. Agencies of a state or of the federal government;
8. Abstract companies doing an escrow business;
9. Creditors collecting their own debts;
10. Mortgage servicing company;
11. Individuals or firms who purchase or take accounts receivable for collateral purposes;
12. Individuals employed in the capacity of creditmen upon the staff of an employer not engaged in the business of a collection agency; or
13. A public officer, receiver, or trustee acting under the order of a court.

**13-05-04.1. Surety bond required.**

1. Each licensee shall maintain a surety bond in the amount of twenty thousand dollars.
2. The surety bond must be in a form as prescribed by the commissioner.
3. When an action is commenced on a licensee's bond, the commissioner may require the filing of a new bond.
4. Immediately upon recovery upon any action on the bond, the licensee shall file a new bond.