

Michigan Office of Administrative Hearings and Rules

Administrative Rules Division (ARD)

MOAHR-Rules@michigan.gov

**REGULATORY IMPACT STATEMENT
and COST-BENEFIT ANALYSIS (RIS)**

Agency Information:

Department name:

Insurance and Financial Services

Bureau name:

Financial Institutions

Name of person filling out RIS:

Ryan Durkin

Phone number of person filling out RIS:

517-284-8609

E-mail of person filling out RIS:

DurkinR@michigan.gov

Rule Set Information:

ARD assigned rule set number:

2023-44 IF

Title of proposed rule set:

Debt Management

Comparison of Rule(s) to Federal/State/Association Standard

1. Compare the proposed rules to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.

There are no parallel federal rules or standards set by a state or national licensing agency or accreditation association that address the same subject matter.

A. Are these rules required by state law or federal mandate?

No, these rules are not required by state law or federal mandate.

B. If these rules exceed a federal standard, please identify the federal standard or citation, describe why it is necessary that the proposed rules exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

There is no applicable federal standard.

2. Compare the proposed rules to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.

Each of the states that border Michigan—Illinois, Indiana, Minnesota, Ohio, and Wisconsin (the “Bordering States”)—have enacted statutes that regulate entities that are generally of the type that are regulated in Michigan as debt management companies. All the Bordering States, except Ohio, have enacted statutes or issued regulations requiring licensees to maintain certain books and records, and most of the Bordering States impose explicit standards for currentness that would at least require monthly updates. See Ind Code § 28-1-29-9 (requiring monthly accounting to debtors that must contain specific information, including the amount paid to each creditor); Minn Stat § 332A.12, subdivision 2 (requiring accounting that includes specified information on a per-creditor basis to be provided to the debtor at least monthly); Wis Admin Code § DFI-Bkg 73.05 (licensees must keep “[a] daily cash journal and disbursements journal . . . showing the receipt of all debtor payments as well as the disbursement of these payments,” accounting records reflecting “daily debtor payments received, disbursements to creditors, fees or discounts collected, advances, and money held back in escrow,” and “[l]icensee's trust and operating bank accounts for creditor disbursements should be reconciled monthly[.]”). Illinois requires licensees to keep books and records “current” without explicitly defining the term. See Ill Admin Code title 38, § 140.10(a)(3).

Illinois and Indiana are the only Bordering States that appear to have statutes or regulations that explicitly require licensees to maintain documents that are roughly equivalent or similar to written policies and procedures. See Ill Admin Code title 38, § 140.150(b) (requiring licensees to “implement[] and monitor[] compliance with” policies and procedures regarding disposal of records that contain personal information); Ill Admin Code title 38, § 140.90 (“A copy of the Debt Management Service Act and this Part shall be kept in each office and branch.”); Ind Code Ann § 28-1-29-10.5(b)(1) (requiring that licensees maintain records necessary to demonstrate compliance and specifying that “records subject” to examination under the provision include “[t]raining, operating, and policy manuals”).

Most of the Bordering States require entities of this type to provide a budget analysis that specifically describes the type of debt. See 205 Ill Comp Stat 665/11 (requiring each debt management service provider to “prepare and retain in the file of each debtor a written analysis of debtor's income and expenses to substantiate that the plan of payment is feasible and practical”); Ill Admin Code title 38, § 140.50(d)(1) (requiring every contract to “[l]ist every debt to be prorated, with the creditor's name, and disclose the total of all such debts”); Ind Code § 28-1-29-8(g) (requiring every licensee to conduct “a thorough, written budget analysis of the debtor” prior to entering into an agreement); Minn Stat § 332A.10, subdivision 2 (2)-(4) (requiring a financial analysis and a list of known debts with specific recommendations, and requiring every licensee to keep a written list identifying all known creditors of the debtor that the licensee reasonably expects to participate in the plan).

A. If the rules exceed standards in those states, please explain why and specify the costs and benefits arising out of the deviation.

The books-and-records rule arguably exceeds standards in Ohio because it implements a provision in Michigan's statute, MCL 451.415(5), which is not substantially identical to any provision in Ohio's statute. See Mich Admin Code, R 451.1227. Because the proposed change to the books-and-records rule clarifies how the Department of Insurance and Financial Services ("DIFS" or the "Department") understands the current rule, one with which most licensees already comply, the Department does not expect licensees to bear any additional compliance costs arising out of the supposed deviation. The benefit of the rule would be that it promotes compliance by providing licensees clarity as to the existing requirement. The books-and-records rule does not exceed the standards of the other Bordering States.

The rule regarding written policies and procedures arguably would exceed standards in the Bordering States other than Illinois and Indiana insofar as the statutes and regulations of those other states do not appear to contain a substantially equivalent requirement. See Mich Admin Code, R 451.1237. Because the proposed change to the rule regarding written policies and procedures clarifies the Department's preexisting understanding of that rule, one with which most licensees already comply, the Department does not expect licensees to bear any additional compliance costs arising out of the supposed deviation. The benefit of the rule would be that it promotes compliance by providing licensees clarity as to the existing requirement. The rule regarding written policies and procedures does not exceed standards in Illinois and Indiana.

The rule regarding the budget analysis arguably would exceed standards in Ohio and Wisconsin insofar as the statutes and regulations of those states do not appear to contain a substantially equivalent requirement. See Mich Admin Code, R 451.1239.

The rule regarding the budget analysis arguably would exceed standards in Illinois and Minnesota because the statutes and regulations in those states do not appear to require something like an adequate general description for each debtor's obligation. See Mich Admin Code, R 451.1239. Unlike Illinois and Minnesota, however, Michigan's statute requires licensees to prepare a written and thorough budget analysis that includes, among other things, the "[t]ype and amount of all of the debtor's obligations." See MCL 451.422(2)(e). The proposed rule—just like the rule it would modify—would implement this statutory requirement. Because the proposed change to the rule regarding budget analysis clarifies the Department's preexisting understanding of that rule, one with which most licensees already comply, the Department does not expect licensees to bear any additional compliance costs arising out of the supposed deviation. The benefit of the rule would be that it promotes compliance by providing licensees clarity as to the existing requirement. The rule regarding budget analysis does not exceed standards in Indiana.

3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rules.

There are no laws, rules, or other legal requirements that duplicate, overlap, or conflict with the proposed rules.

A. Explain how the rules have been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

There are no other federal, state, or local laws applicable to the same activity or subject matter.

4. If MCL 24.232(8) applies and the proposed rules are more stringent than the applicable federally mandated standard, provide a statement of specific facts that establish the clear and convincing need to adopt the more stringent rules.

MCL 24.232(8) does not apply.

5. If MCL 24.232(9) applies and the proposed rules are more stringent than the applicable federal standard, provide either the Michigan statute that specifically authorizes the more stringent rules OR a statement of the specific facts that establish the clear and convincing need to adopt the more stringent rules.

There is no applicable federally mandated standard.

Purpose and Objectives of the Rule(s)

6. Identify the behavior and frequency of behavior that the proposed rules are designed to alter.

This existing rule set, Michigan Administrative Code, R 451.1221 to R 451.1246, implements and enforces the Debt Management Act, 1975 PA 148, MCL 451.411 to 451.437 (the “DMA”). The proposed rules would add clarity to firms regulated under the DMA and existing rules by (1): requiring books and records to be kept current on a monthly basis; (2) updating reference’s to a firm’s “manual” under Michigan Administrative Code, R 451.1237; (3) clarifying requirements for the licensee’s budget analysis of the debtor; and (4) making other clarifying changes to the regulatory requirements under the DMA. The proposed rules are designed to alter the behavior of licensees with respect to their continuous compliance with the DMA.

A. Estimate the change in the frequency of the targeted behavior expected from the proposed rules.

The proposed rules are intended to ensure that all licensees will have clarity to enable them to remain in continuous compliance. The Department does not estimate any change in frequency of the targeted behavior from the proposed rules with respect to the majority of licensees, but the Department anticipates that, as a result of the proposed rules, a minority of licensees possibly may understand that they are required to: (1) update and post to books and records more frequently; (2) continuously maintain written policies and procedures; and (3) identify the type and amount of each debtor’s obligation in a budget analysis by providing an adequate general description.

B. Describe the difference between current behavior/practice and desired behavior/practice.

Upon promulgation, the proposed rules will align with the DMA. In addition, licensees will have clarity on the regulatory requirements to enable some licensees to achieve better compliance. The Department anticipates that licensees will not have to adjust their behavior significantly to maintain compliance.

C. What is the desired outcome?

The desired outcome is that the clarifications will ensure licensees’ compliance with the DMA with respect to the required frequency of updates and posts to books and records, the maintenance of written policies and procedures for compliance with the DMA, and the preparation of budget analyses that contain adequate general descriptions.

7. Identify the harm resulting from the behavior that the proposed rules are designed to alter and the likelihood that the harm will occur in the absence of the rule.

The rules are designed to alter the harm resulting from inadequate compliance with the DMA with respect to keeping current books and records, maintaining written policies and procedures for compliance with the DMA, and preparing budget analyses that contain adequate general descriptions. In the absence of the rule, licensees might fail to keep current books and records, to create or maintain written policies and procedures, or to prepare budget analyses that contain adequate general descriptions of debtors’ obligations. Such failures could harm Michigan debtors and creditors by enabling financial mismanagement or malfeasance.

A. What is the rationale for changing the rules instead of leaving them as currently written?

Changing the rules would prevent future conflicting understandings among licensees, estimated by the Department to be a minority, regarding compliance with the DMA. If the rules were left as currently written, there is a risk that some licensees may fail to comply with the DMA because of misunderstandings related to the requirements for keeping current books and records, maintaining written policies and procedures, or preparing budget analyses that contain adequate general descriptions of debtors’ obligations.

8. Describe how the proposed rules protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

The proposed rules will continue to protect Michigan citizens as they have in the past. The Department does not believe that there is an additional burden to licensees as they must already comply with the statute, and these rules clarify the Department’s prior understanding of licensees’ obligations under the DMA and the preexisting rules.

9. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.

The Department did not identify any rules in the affected rule set that are obsolete or unnecessary. DIFS therefore does not propose rescinding any rules.

Fiscal Impact on the Agency

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, higher contract costs, programming costs, changes in reimbursements rates, etc. over and above what is currently expended for that function. It does not include more intangible costs for benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

10. Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings for the agency promulgating the rule).

There will not be any fiscal impact on the agency.

11. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rules.

An agency appropriation has not been made and no funding source has been provided because there are expenditures associated with the proposed rules.

12. Describe how the proposed rules are necessary and suitable to accomplish their purpose, in relationship to the burden(s) the rules place on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.

The amended rules, which clarify existing obligations, are necessary and suitable to accomplish the purpose of ensuring licensees' compliance with the DMA with respect to the required frequency of updates and posts to books and records, the maintenance of written policies and procedures for compliance with the DMA, and the preparation of budget analyses that contain adequate general descriptions. There is no expected burden on individuals because the amended rules only clarify licensees' existing obligations.

A. Despite the identified burden(s), identify how the requirements in the rules are still needed and reasonable compared to the burdens.

There is no expected burden on individuals because the amended rules only clarify licensees' existing obligations.

Impact on Other State or Local Governmental Units

13. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

DIFS estimates that the proposed rules will not increase or decrease revenues or costs to other state or local governmental units.

14. Discuss any program, service, duty, or responsibility imposed upon any city, county, town, village, or school district by the rules.

The rules will not impose any program, service, duty, or responsibility upon any city, county, town, village, or school district.

A. Describe any actions that governmental units must take to be in compliance with the rules. This section should include items such as record keeping and reporting requirements or changing operational practices.

Governmental units do not have to comply with these rules.

15. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rules.

No appropriation or funding source has been secured because no additional expenditures are associated with the proposed rules.

Rural Impact

16. In general, what impact will the rules have on rural areas?

There is no anticipated impact on rural areas.

A. Describe the types of public or private interests in rural areas that will be affected by the rules.

The rules will not affect public interests in rural areas. The rules will affect private interests in rural areas to the extent that debt management licensees in rural areas will have an obligation to comply with them. The rules will affect debt management licensees in rural areas to the same degree as debt management licensees in non-rural areas.

Environmental Impact

17. Do the proposed rules have any impact on the environment? If yes, please explain.

The proposed rules will not have any impact on the environment.

Small Business Impact Statement

18. Describe whether and how the agency considered exempting small businesses from the proposed rules.

The proposed rules are intended to clarify existing obligations under the statute and pre-existing rules, which apply to all licensees without regard to size. Exempting small businesses from the proposed rules therefore is not considered necessary or appropriate.

19. If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rules on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rules upon small businesses as described below (in accordance with MCL 24.240(1)(a-d)), or (b) the reasons such a reduction was not lawful or feasible.

The described reduction was not feasible because regulation of the affected entities must be uniform to be effective.

A. Identify and estimate the number of small businesses affected by the proposed rules and the probable effect on small businesses.

The number of licensees that qualify as small businesses is not known because licensees do not report their number of employees to DIFS.

B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rules after projecting the required reporting, record-keeping, and other administrative costs.

DIFS did not establish differing compliance or reporting requirements or timetables for small businesses because all licensees must be regulated uniformly.

C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.

DIFS did not consolidate or simplify the compliance and reporting requirements for small businesses because all licensees must be regulated uniformly.

D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.

The rules do not require design or operation standards, so DIFS did not establish performance standards to replace them.

20. Identify any disproportionate impact the proposed rules may have on small businesses because of their size or geographic location.

The rules are not expected to have a disproportionate impact on small businesses because of their size or geographic location.

21. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rules.

The proposed rules do not provide for any report by small businesses other than what is already stated in the DMA.

22. Analyze the costs of compliance for all small businesses affected by the proposed rules, including costs of equipment, supplies, labor, and increased administrative costs.

The proposed rules will not affect the costs of compliance for small businesses, including costs of equipment, supplies, labor, and increased administrative costs.

23. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rules.

The proposed rules will not require further costs by small businesses in the areas of legal, consulting, or accounting services other than costs already undertaken to achieve and maintain compliance with the DMA.

24. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

Consistent with the answers provided to questions 21 through 23, the proposed rules will not require small businesses to absorb further costs beyond costs already undertaken to achieve and maintain compliance with the DMA.

25. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

If the Department were to administer or enforce a hypothetical rule that, unlike the proposed rules, exempted or set lesser standards for compliance by small businesses, DIFS would incur costs insofar as the Department would have to collect and analyze data to determine the number of entities that would be affected and then the Department would have to develop and maintain separate processes to monitor small businesses' continuous compliance with the divergent standards. Conceivably, DIFS also could bear additional costs to defend such a hypothetical rule in litigation challenging the rule on the grounds that it exceeds the scope or contravenes the intent of the DMA, which does not provide for differential treatment according to business size. The true costs of such a hypothetical rule are not ascertainable because such a rule probably would depart from the framework and intent of the DMA and many of the variables necessary to calculate the costs would be subject to, or controlled by, third parties.

26. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

Exempting or setting lesser standards of compliance for small businesses would negatively impact the public interest because: (1) it would contravene the Legislature's intent when the DMA treats licensees uniformly; and (2) inconsistent regulation potentially would increase noncompliance.

27. Describe whether and how the agency has involved small businesses in the development of the proposed rules.

The Department has not involved small businesses in the development of the proposed rules because the proposed rules are intended to clarify specific provisions in the existing ruleset, which itself is intended to align with the requirements in the DMA.

A. If small businesses were involved in the development of the rules, please identify the business(es).

Small businesses were not involved in the development of the rules.

Cost-Benefit Analysis of Rules (independent of statutory impact)

28. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.

Independent of statutory impact, DIFS estimates that there would be no, or very little, actual statewide compliance costs for the rule amendments on business groups because licensees are already subject to the DMA, and the rule amendments merely clarify the Department's preexisting understanding of licensees' obligations under the DMA and the current rules. A minority of licensees conceivably may experience additional costs if they are not already in compliance with the Department's preexisting understanding of the rules relating to the required frequency of updates and posts to books and records, the maintenance of written policies and procedures for compliance with the DMA, and the preparation of budget analyses that contain adequate general descriptions. Such licensees would have to bear the additional costs, however, even in the absence of the proposed rule amendments.

A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.

Licensees under the DMA will be directly affected by, bear the cost of, or directly benefit from the proposed rule amendments.

B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

Licensees under the DMA are already required to comply with the DMA; therefore, there will be no, or very little, additional costs imposed as a result of these proposed rules, which clarify licensees' existing obligations under current rules. The Department acknowledges the possibility that a minority of licensees may understand the need to adjust their recordkeeping practices as a result of these rules, and that such licensees may bear additional costs that, independent of statutory impact, would consist of minimal costs relating to additional paperwork. Such licensees would have to bear the additional costs, however, even in the absence of the proposed rule amendments.

29. Estimate the actual statewide compliance costs of the proposed rules on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.

Licensees under the DMA are already required to comply with the DMA; therefore, there will be no, or very little, additional costs imposed as a result of these proposed rules, which clarify existing rules. The Department acknowledges the possibility that a minority of licensees may understand the need to adjust their recordkeeping practices as a result of these rules, and that group of licensees may bear additional costs that, independent of statutory impact, would consist of minimal costs relating to additional paperwork. Such licensees would have to bear the additional costs, however, even in the absence of the proposed rule amendments. The Department is not currently aware of any set of individuals who are not complying with the Department's understanding of the preexisting rules and, therefore, would sustain minimal costs in connection with reaching compliance after the promulgation of these clarifying rules.

A. How many and what category of individuals will be affected by the rules?

The Department is not currently aware of any set of individuals who are not complying with the Department's understanding of the preexisting rules and, therefore, would sustain minimal costs in connection with reaching compliance after the promulgation of these clarifying rules.

B. What qualitative and quantitative impact do the proposed changes in rules have on these individuals?

The proposed changes in rules will have no, or very little, impact on individuals because licensees must already comply with the existing rules, which these rules merely clarify. The Department acknowledges the possibility that a minority of licensees may understand the need to adjust their recordkeeping practices as a result of these rules, and that group of licensees may bear additional costs that, independent of statutory impact, would consist of minimal costs relating to additional paperwork. Such licensees would have to bear the additional costs, however, even in the absence of the proposed rule amendments.

30. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.

Little or no cost reductions are anticipated for businesses, individuals, groups of individuals, or governmental unit due to the proposed rules.

31. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rules. Please provide both quantitative and qualitative information, as well as your assumptions.

The primary and direct benefits of the proposed rules would be clarity for all licensees as to their preexisting obligations regarding the required frequency of updates and posts to books and records, the maintenance of written policies and procedures for compliance with the DMA, and the preparation of budget analyses that contain adequate general descriptions. The secondary benefit of the proposed rules would be a reduced likelihood of enforcement actions that might be required to correct licensees' future misunderstandings regarding their obligations concerning the required frequency of updates and posts to books and records, the maintenance of written policies and procedures for compliance with the DMA, and the preparation of budget analyses that contain adequate general descriptions.

32. Explain how the proposed rules will impact business growth and job creation (or elimination) in Michigan.

DIFS does not anticipate any impact on business growth or job creation/elimination in Michigan as a result of the rules.

33. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

The proposed rules will apply equally to all individuals and businesses regardless of their industrial sector, segment of the public, business size, or geographic location.

34. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of the proposed rules and a cost-benefit analysis of the proposed rules.

In compiling the regulatory impact statement, DIFS relied upon other similarly situated states' statutes and regulations (via Westlaw) to confirm that they are similar in scope and extent of regulation. DIFS also consulted legal authorities relating to federal law (via Westlaw). The agency compared the projected or estimated costs with the benefits or opportunities associated with the proposed rules by noting the low costs of implementing clarifying changes to existing rules compared to the benefit of avoiding the possibility of future misunderstandings of the preexisting rules by regulated persons. No other sources were relied upon.

A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., that demonstrate a need for the proposed rules.

Estimates were based on the limited scope of the changes that would be made under the proposed rules, which merely clarify existing requirements. The Department's experience enforcing the DMA demonstrated a need for the proposed rules. DIFS assumed the possibility that a minority of licensees may come to understand their preexisting need to adjust their recordkeeping practices as a result of these rules.

Alternative to Regulation

35. Identify any reasonable alternatives to the proposed rules that would achieve the same or similar goals.

There is no reasonable alternative to the proposed rules because these rules clarify existing requirements under the DMA and existing rules.

A. Please include any statutory amendments that may be necessary to achieve such alternatives.

There is no statutory amendment that may be necessary, since there is no reasonable alternative to the proposed rules because these rules clarify existing requirements under the DMA and existing rules.

36. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

Establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms would not be feasible because of the existence of the DMA, which establishes a framework for state regulation of the debt management industry. The proposed rules clarify existing rules promulgated under the authority of the DMA. DIFS is not aware of private market-based systems utilized by other states.

37. Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rules. This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.

DIFS did not consider any significant alternatives during the development of the proposed rules because the proposed rules clarify the Department's understanding of existing standards.

Additional Information

38. As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.

The Department regularly provides instructions to regulated persons and entities on compliance with the DMA and applicable administrative rules. In addition, after the rules have been promulgated by the Director of the Department, the Department will issue notifications to regulated persons with instructions for the licensee population that will inform them of the clarifications and required continued compliance with the rules. Debt Management companies are generally sophisticated business entities that will be familiar with the regulatory processes and compliance with regulatory requirements.