

# HOUSE BILL NO. 4890

September 11, 2025, Introduced by Reps. Bruck, Martin, Wozniak, Schuette and Borton and referred to Committee on Regulatory Reform.

A bill to amend 1989 PA 211, entitled  
"An act to require notice to cosigners; to impose duties on persons who report adverse information regarding an indebtedness; to provide remedies; and to impose penalties,"  
by amending section 2 (MCL 445.272).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2. (1) Before reporting adverse information about a  
2       cosigner to a consumer reporting agency, as **that term is** defined in  
3       the fair credit reporting act, 15 U.S.C. ~~1681-1681t~~, **USC 1681 to**  
4       **1681x**, concerning the obligation that was cosigned, or providing

any information regarding the cosigner's obligation to a collection agency ~~as defined in section 901 of the occupational code, Act No. 299 of the Public Acts of 1980, being section 339.901 of the Michigan Compiled Laws,~~ concerning the obligation that was cosigned, or taking any collection action on the obligation against the cosigner that was cosigned, other than orally communicating the information permitted in subdivision (a), a person shall do both of the following:

(a) Send to the cosigner, by first class mail, a notice indicating that the primary obligor has become delinquent or defaulted on the obligation and that the cosigner is responsible for payment of the obligation.

(b) Allow the cosigner not less than 30 days ~~from~~**after** the date that the notice was sent to respond to the notice by doing either of the following:

(i) Paying the amount then due and owing under the obligation.

(ii) Making other arrangements satisfactory to the person to whom the obligation is owed.

(2) A person shall not report adverse information regarding a cosigner if the cosigner has responded to a notice in the manner described in subsection (1)(b).

**(3) As used in this section:**

**(a) "Collection agency" means a person that is directly engaged in collecting or attempting to collect a claim owed or due or asserted to be owed or due to another person, or, subject to subdivision (b), repossessing or attempting to repossess a thing of value owed or due or asserted to be owed or due to another person, arising out of an expressed or implied agreement. Collection agency includes an individual who, in the course of collecting,**

1 repossessing, or attempting to collect or repossess, represents  
2 that individual as a collection or repossession agency or a person  
3 that performs collection activities. Collection agency includes a  
4 person that furnishes or attempts to furnish a form or a written  
5 demand service that is represented to be a collection or  
6 repossession technique, device, or system to be used to collect or  
7 repossess claims, if the form contains the name of a person other  
8 than the creditor in a manner that indicates that a request or  
9 demand for payment is being made by a person other than the  
10 creditor even though the form directs the debtor to make payment  
11 directly to the creditor rather than to the other person whose name  
12 appears on the form. Collection agency includes a person that uses  
13 a fictitious name or the name of another in the collection or  
14 repossession of claims to convey to the debtor that a third person  
15 is collecting or repossessing or has been employed to collect or  
16 repossess the claim. Collection agency does not include a person  
17 whose collection activities are confined and are directly related  
18 to the operation of a business other than that of a collection  
19 agency such as, but not limited to, any of the following:

20 (i) A regular employee who collects amounts for 1 employer if  
21 all collection efforts are carried on in the name of the employer.

22 (ii) A state or nationally chartered bank that collects the  
23 bank's own claims.

24 (iii) A trust company that collects the trust company's own  
25 claims.

26 (iv) A state or federally chartered savings and loan  
27 association that collects the association's own claims.

28 (v) A state or federally chartered credit union that collects  
29 the credit union's own claims.

1           (vi) A licensee under the regulatory loan act, 1939 PA 21, MCL  
2 493.1 to 493.24.

3           (vii) An abstract company that is engaged in an escrow  
4 business.

5           (viii) A licensed real estate broker or salesperson if the  
6 claims the broker or salesperson are collecting are related to or  
7 in connection with the broker's or salesperson's real estate  
8 business.

9           (ix) A public officer or person that is acting under a court  
10 order.

11           (x) An attorney who is handling a claim or collection on  
12 behalf of a client and in the attorney's own name.

13           (xi) A forwarding agency that, acting on behalf of a creditor  
14 or lender, forwards a claim, collection, or repossession to a  
15 collection agency.

16           (b) "Repossessing or attempting to repossess a thing of  
17 value", "collecting or attempting to collect a claim", and  
18 "collection activities" do not include any of the following  
19 activities of a claim forwarder or remarketer in accordance with a  
20 contract with a creditor:

21           (i) Forwarding repossession assignments on behalf of the  
22 creditor to a collection agency for repossessing or attempting to  
23 repossess a thing of value owed or alleged to be owed on a claim.

24           (ii) Under the authorization of a creditor and on the  
25 creditor's behalf, providing or procuring the services of an  
26 auction or other remarketer in connection with the disposition or  
27 preparation for disposition of a thing of value that was previously  
28 repossessed by a creditor or by another person on behalf of the  
29 creditor.

1           *(iii)* Communicating with a creditor or the collection agency  
2 regarding the performance of any of the activities described in  
3 subparagraph *(i)* or *(ii)* .

4           Enacting section 1. This amendatory act does not take effect  
5 unless House Bill No. 4887 (request no. H02604'25) of the 103rd  
6 Legislature is enacted into law.