



GOVERNOR OF MISSOURI

JEFFERSON CITY

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JEREMIAH W. (JAY) NIXON
GOVERNOR

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July 13, 2009

TO THE SECRETARY OF STATE OF THE STATE OF MISSOURI

Herewith I return to you Senate Committee Substitute for Senate Bill No. 216 entitled:

AN ACT

To repeal section 425.010, RSMo, and to enact in lieu thereof six new sections relating to debt settlement providers.

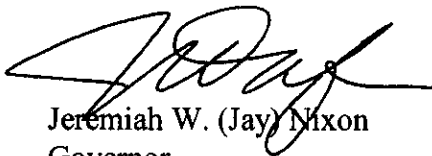
I disapprove of Senate Committee Substitute for Senate Bill No. 216. My reasons for disapproval are as follows:

Senate Committee Substitute for Senate Bill No. 216 fails to provide adequate protection for consumers who do business with debt settlement providers. Strong consumer protection measures, including those contained in the Uniform Debt Management Services Act, are absent from Senate Committee Substitute for Senate Bill No. 216. Senate Committee Substitute for Senate Bill No. 216 does not require licensure or registration of debt settlement providers; does not require security bonds; does not allow consumers a penalty-free cancellation period; does not provide for adequate disclosure of services and fees to consumers; and does not provide for aggressive enforcement mechanisms against unscrupulous providers, to name just a few of the protections missing from this legislation.

The fee structure and the insurance provision set forth in Senate Committee Substitute for Senate Bill No. 216, moreover, do not provide the breadth or the depth of consumer protection that is necessary in the debt settlement provider industry. Under Senate Committee Substitute for Senate Bill No. 216, a consumer could be required to pay twenty percent of the principal amount of the consumer's debt in "aggregate fees" to the debt settlement provider, and an "enrollment fee" representing an additional four percent of the consumer's debt. This means that consumers who already find themselves in debt will be required to pay thousands of dollars in fees to debt settlement providers.

In accordance with the above stated reasons for disapproval, I am returning Senate Committee Substitute for Senate Bill No. 216 without my approval.

Respectfully submitted,



Jeremiah W. (Jay) Nixon
Governor