

STATE OF COLORADO

COLLECTION AGENCY BOARD

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Executive Director
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July 10, 1990

RE: Branch Office Licenses

On August 11, 1989 you inquired about the need to license an office in _____ which only made client sales contacts. I responded on August 14, 1989 that if no collection activities emanated from that office, no branch office license need be obtained.

The Colorado Fair Debt Collection Practices Act was amended during the last legislative session. In reviewing this matter, it is now my opinion that a sales office for client solicitation must be licensed as a branch office in order to comply with Colorado law.

Colorado law applies to collection agencies even located outside the state if they solicit claims from creditors in Colorado, § 12-14-102(1)(d), C.R.S. Pursuant to § 12-14-115(1), C.R.S., it is unlawful to solicit the right to collect debts without having obtained a license. There is no exception in the law for offices which only solicit accounts. Solicitation is considered part of the activity requiring a license.

The sales office may obtain a branch office license. No additional investigation fee is necessary although all licensing fees must be paid. Branch offices must have a collections manager and a separate bond and meet all other office requirements. See § 12-14-119, C.R.S. The licensing process has changed somewhat as a result of the new law. I have enclosed a copy of the new application.

Thank you for your attention to this matter.

Sincerely,

LAURA E. UDIS
Executive Director
Collection Agency Board

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