

**Tennessee State Statutes Regulating Debt Collection Title  
62, Chapter 20, Sections 101-127 Collection Services.**

**62-20-101. Short title.** This chapter shall be known and may be cited as the "Tennessee Collection Service Act."

**62-20-102. Chapter definitions.** As used in this chapter, unless the context otherwise requires: (1) "Board" means the Tennessee collection service board; (2) "Client" means any person who retains the services of a collection service, and for such services directly provides the fee, commission or other compensation;

(3) "Collection service" means any person who, directly or indirectly, for a fee, commission, or other compensation, offers to a client or prospective client the service of collecting, or purchasing for collection, accounts, bills, notes or other indebtedness due such client for various debtors.

"Collection service" includes, but is not limited to:

(A) Any deputy sheriff, constable or other individual who, in the course of that person's duties, accepts any compensation other than that fixed by statute in connection with the collection of an account;

(B) Any person who, in the process of collecting that person's own accounts, uses or causes to be used any fictitious name which would indicate to the debtor that a third party is handling the accounts;

(C) Any person who offers for sale, gives away, or uses any letter or form designed for use in the collection of accounts which deceives the receiver into believing that an account is in the hands of a third party, even though the letter or form may instruct the debtor to pay directly to the debtor's creditor; and

(D) Any person who engages in the solicitation of claims in this state for purchase or collection;

(4) "Collection service license" means a license granted to a collection service;

(5) "Financially responsible" means capable, as demonstrated to the board's satisfaction, of sound financial management and fiscal discretion. The board may deem to be not financially responsible any person who:

(A) Submits a balance sheet reflecting liabilities in excess of assets;

(B) Is unable to pay debts as they mature;

(C) Submits materially inaccurate financial information; or

(D) Issues a check to a client without sufficient funds for the payment of such check in full;

(6) "Location manager" means an individual who is employed full time at a location of a collection service and designated to be in active and responsible charge of the business of a collection service at the location at which the individual is employed;

(7) "Location manager license" means a license granted to a location manager, pursuant to § 62-20108.

(8) "Person" means an individual, firm, corporation, association or other legal entity; and

(9) "Solicitor" means any individual who is employed by, or under contract with, a collection service to solicit accounts or sell collection service forms or systems on its behalf.

**62-20-103. Exemptions.** (a) The provisions of this chapter do not apply to: (1) Any person handling claims, accounts or collections under order of any court; (2) Attorneys at law; or (3) Any person engaged in the collection of indebtedness incurred in the normal course of business, or the business of a parent, subsidiary, or affiliated firm or corporation; however, no person who is or represents such person to be a collection service is exempt from this chapter. (b) Nothing contained within this chapter shall be construed to require an individual or business entity, which collects only

the individual's or its own unpaid accounts, to submit to licensure or regulation by the collection service board.

**62-20-104 to 127** are not reprinted here because they do not include a prohibited practices section and are only concerned with general requirements debt collection agencies must meet to operate in Tennessee.

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<https://www.fair-debt-collection.com/tennessee-fair-debt-collection-practices-act.html>