

**380.060 Person engaged in debt adjusting to contract with debtor -- Disclosure and notice to debtor -- Debtor's right to cancel.**

- (1) A person engaged in debt adjusting shall contract in writing with the debtor and obtain the debtor's signature on the contract which shall designate the date on which the debtor actually signs the contract as the date of the transaction and fully disclose the exact nature of the debt-adjusting services and the total amount and terms of compensation.
- (2) Any debtor entering into a contract to provide debt-adjusting services shall have a right to cancel the contract until midnight of the fourteenth day after the day on which the debtor signs a contract offer to enter into a contract for debt-adjusting services, except as provided in subsection (7) of this section.
- (3) The following notice, printed in at least twelve (12) point boldface type and completed with the name and address of the debt adjuster, shall appear on the contract under the conspicuous caption "DEBTOR'S RIGHT TO CANCEL" and shall read as follows:

**NOTICE OF CANCELLATION**

.....

(enter date of transaction)

You may cancel this contract or offer without penalty or monetary obligation, within fourteen (14) days from the above date. To cancel this transaction, you may use any of the following methods: mail or otherwise deliver a signed and dated copy of this cancellation notice, or any other written notice of cancellation which you sign and date to (enter physical address of debt adjuster) or e-mail a notice of cancellation to (enter name of debt adjuster) at (enter e-mail address of debt adjuster) not later than midnight of (enter date fourteen (14) days after transaction date).

I hereby cancel this transaction.

.....

(Date)

.....

(Debtor's Signature)

- (4) Cancellation occurs when the debtor gives written notice of cancellation to the debt adjuster at the physical or e-mail address stated in the contract or offer to perform services.
- (5) Notice of cancellation, if given by mail, is given when it is deposited in a mailbox properly addressed and postage prepaid and, if given by e-mail, when the debtor sends the e-mail.
- (6) Notice of cancellation given by the debtor is sufficient if it indicates in writing the intention of the debtor not to be bound by the contract or offer of services.
- (7) Until the debt adjuster has complied with the disclosure notice required by subsection (3) of this section, the debtor may cancel the contract or offer of services by notifying the debt adjuster of his or her intention to cancel.

**Effective:** July 15, 2010

**History:** Created 2010 Ky. Acts ch. 86, sec. 2, effective July 15, 2010.