

E. J. FACE, JR.
COMMISSIONER OF
FINANCIAL INSTITUTIONS



1300 EAST MAIN STREET
SUITE EIGHT HUNDRED
P.O. BOX 640
RICHMOND, VIRGINIA 23218-0640
(804) 371-9657
FAX (804) 371-9416
scc.virginia.gov

**STATE CORPORATION COMMISSION
BUREAU OF FINANCIAL INSTITUTIONS**

December 1, 2025

TO: The Honorable R. Creigh Deeds, Chair
Senate Committee on Commerce and Labor

The Honorable Jeion A. Ward, Chair
House Committee on Labor and Commerce

As required by Chapter 785 of the 2020 Virginia Acts of Assembly, the Bureau of Financial Institutions of the State Corporation Commission respectfully submits the attached report concerning activities of licensed debt settlement services providers.

Sincerely,

E. J. Face, Jr.



**Report Pursuant to Chapter 785
of the 2020 Virginia Acts of Assembly
Relating to Debt Settlement Services Providers**

**Prepared by the
Bureau of Financial Institutions
State Corporation Commission**

December 1, 2025

TABLE OF CONTENTS

EXECUTIVE SUMMARY	ii
INTRODUCTION.....	1
BACKGROUND.....	1
NUMBER OF SETTLEMENTS MADE.....	2
FEES CHARGED	2
PRINCIPAL AMOUNT PAID BY CONSUMERS TO SATISFY DEBTS	2
CONSOLIDATED OPERATING DATA	3

EXECUTIVE SUMMARY

Chapter 785 of the 2020 Virginia Acts of Assembly ("the Act") created Chapter 20.1 (§ 6.2-2026 *et seq.*) of Title 6.2 of the Code of Virginia ("Code") (the "Chapter"), which became effective July 1, 2021. The Chapter sets forth licensing requirements and other regulatory provisions relating to debt settlement services providers. This Report was prepared pursuant to the third enactment clause of the above-referenced legislation, which directs the State Corporation Commission ("Commission") to monitor settlements by all licensees and provide a report to the Chairs of the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor by December 1 of each year 2023, 2024, 2025, that contains the following:

- i. the number of settlements made pursuant to the Act;
- ii. the fees charged pursuant to § 6.2-2041 of the Code, as created by the Act; and
- iii. the principal amount to be paid by the consumer to satisfy the debt.

On behalf of the Commission, its Bureau of Financial Institutions ("Bureau") is pleased to submit this Report with the above information pertaining to debt settlement services providers licensed under the Chapter. The information provided is for the period from January 1, 2024, through December 31, 2024.

INTRODUCTION

In accordance with Chapter 785 of the 2020 Virginia Acts of Assembly, the Bureau, on behalf of the Commission, offers this Report of certain activity relating to debt settlement services providers licensed under the Chapter.

BACKGROUND

The Chapter sets forth regulatory provisions relating to debt settlement services providers including, but not limited to, applicable definitions, licensing requirements, exemptions from licensing, prohibited and required activities, record retention requirements, and licensee reporting requirements. The Chapter also gives the Commission authority to promulgate regulations and requires it to examine licensees at least once in each three-year period. It also provides certain enforcement authority to the Commission and the Attorney General.

The Chapter became effective on July 1, 2021, and the Commission was required to begin accepting applications for licenses on or before March 1, 2021. The Commission approved four licenses in 2021 and seven licenses in 2022. No licenses were approved in 2023. The Commission approved one license in 2024. There were four open debt settlement services providers licensed under the Chapter as of year-end 2021, ten as of year-end 2022 and 2023, and eleven as of year-end 2024.

Pursuant to § 6.2-2035 of the Code, each licensee is required to file a written report annually with the Commissioner of Financial Institutions ("Commissioner") containing such information as the Commissioner may require concerning the licensee's business and operations during the preceding calendar year as to each licensed place of business.¹ These filings serve as the source of the data provided in this Report.

¹ Specific annual data reporting requirements for licensees are prescribed in the Commission's Rules Governing Debt Settlement Services Providers, 10VAC5-230-10 *et seq.* See 10VAC5-230-30 B.

NUMBER OF SETTLEMENTS MADE

During the period from January 1, 2024, to December 31, 2024, debt settlement services provider licensees reported 41,749 debts settled pursuant to the Chapter.

FEES CHARGED

Under Subsection A of § 6.2-2041 of the Code, a licensee may charge or receive a fee for providing debt settlement services totaling either (i) no more than 20 percent of the principal amount of the debt enrolled by a consumer into the licensee's service or (ii) no more than 30 percent of the difference between the amount owed by a consumer at the time the licensee settles the debt and the amount to be paid by the consumer to satisfy the debt.

During the period from January 1, 2024, to December 31, 2024, the amount of debt enrolled by consumers into licensees' debt settlement services totaled \$377,862,810. Licensees reported \$34,824,040 in total fees charged pursuant to § 6.2-2041 of the Code in 2024.

PRINCIPAL AMOUNT PAID BY CONSUMERS TO SATISFY DEBTS

During the period from January 1, 2024, to December 31, 2024, debt settlement services provider licensees reported that the total principal amount of debts settled was \$178,129,181. The total principal amount paid by consumers to satisfy such debts was \$95,841,406.

CONSOLIDATED OPERATING DATA

The following table presents, on a consolidated basis, operating data reported by licensed debt settlement services providers pursuant to § 6.2-2035 of the Code for the calendar years ending December 31, 2021, December 31, 2022, December 31, 2023, and December 31, 2024, respectively.

	2024	2023	2022	2021
Total number of open debt settlement services provider licensees at year-end	11	10	10	4
Total number of agreements to provide debt settlement services maintained	26,115	18,586	8,795	725
Total number of agreements to provide debt settlement services entered into	13,033	10,559	6,327	494
Total principal amount of debt enrolled by consumers into the licensee's debt settlement services	\$377,862,810	\$303,850,769	\$155,725,512	\$15,789,005
Total number of settled debts	41,749	24,909	6,185	720
Total principal amount of settled debts ²	\$178,129,182	\$104,045,143		
Total principal amount to be paid by consumers to satisfy settled debts	\$95,841,406	\$70,454,149	\$14,606,980	\$1,581,541
Total amount of fees charged pursuant to § 6.2-2041 of the Code of Virginia	\$34,824,040	\$20,395,995	\$6,557,676	\$420,128
Total amount of fees received pursuant to § 6.2-2041 of the Code of Virginia	\$29,338,266	\$16,816,752	\$5,218,797	\$312,554
Total number of debt settlement services agreements terminated by consumers	5,107	3,595	2,411	89

This concludes the Bureau's Report pursuant to Chapter 785 of the 2020 Virginia Acts of Assembly.

² Data not collected from licensees prior to 2023.