

RÉSUMÉ DIGEST

ACT 580 (HB 1040)

2022 Regular Session

LaCombe

Existing law (R.S. 6:1031 et seq.) provides for the regulation of the sale of checks and money transmission by the Office of Financial Institutions.

New law requires every money transmitter licensee and its agents to transmit the monetary equivalent of all money or equivalent value received from a consumer for transmission, net of any fees, or issue instructions committing the money to the person designated by the consumer within 10 business days, unless otherwise ordered by the consumer or unless the licensee or its agent has reasonable cause to believe that a violation of law has occurred.

New law specifies that money is considered to have been transmitted when it is mailed, released for delivery, or is otherwise made available to the person designated by the consumer.

New law provides that any provision in a money transmitter licensee user policy or user agreement that provides a financial penalty or stipulated damages for executing a lawful and valid transaction under federal and La. law is contrary to public policy and shall be null and void.

New law requires the licensee to provide notice to a consumer of any transaction that the licensee finds to be or is suspected of being in violation of the user policy or agreement. Provides that any funds seized by the licensee prior to providing the notice and found to be from a lawful and valid transaction under law shall be returned to the consumer.

New law restricts the enforcement of any choice-of-law provision in a money transmitter licensee user policy or user agreement if such enforcement would result in a contravention of the prohibition in new law.

New law provides that a licensee that seizes or holds funds pursuant to a user policy or agreement provision that is subject to nullification as provided in new law shall return to the consumer any funds held or seized as a result of such violation. Allows the licensee to cancel the service contract.

New law provides that a violation thereof shall be considered an unfair trade practice and authorizes the commissioner of the Office of Financial Institutions to enjoin such violation.

New law shall not apply to any federally insured financial institution, its subsidiaries, and affiliates, and shall not apply to certain operators of payment systems that are exempt from existing law, The Sale of Checks and Money Transmission Act (R.S. 6:1031 et seq.).

Effective August 1, 2022.

(Adds R.S. 6:1055)