

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 513** HLS 25RS 370

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

**REVISED**

<b>Date:</b> May 12, 2025	6:08 PM	<b>Author:</b> RISER
<b>Dept./Agy.:</b> Office of Financial Institutions		<b>Analyst:</b> Kimberly Fruge
<b>Subject:</b> Louisiana Consumer Alternative Installment Loan Act		

LOAN BROKERS EG INCREASE SG EX See Note  
Enacts the Louisiana Consumer Alternative Installment Loan Act

Page 1 of 1

Proposed law creates the Louisiana Consumer Alternative Installment Loan Act; provides that in addition to options provided in current law, on precomputed consumer loans of less than \$5,500, a licensed lender may contract and charge a monthly loan finance charge not to exceed an annual percentage rate of 59% per annum on the unpaid balance of the amount financed; provides for certain rules and regulations of such loans; requires the Office of Financial Institutions to issue a memorandum authorizing a new maximum loan size based on any increase or decrease in the Consumer Price Index (CPI) for All Urban Consumers for the previous calendar year, rounding to the nearest \$10 increment.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

**Annual Total**

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

**Annual Total**

**EXPENDITURE EXPLANATION**

Proposed law may result in a significant increase in SGR expenditures for the Office of Financial Institutions (OFI) to implement the Louisiana Consumer Alternative Installment Loan Act. This measure allows lenders to contract and charge a monthly loan finance charge not to exceed 59% per annum on the unpaid balance of the amount financed for precomputed loans with a value of \$5,500 or less. OFI reports there are over 2,000 consumer loan lenders nationwide that could seek licensure pursuant to proposed law. Assuming approximately 3-4% these lenders apply for a license with OFI annually, the agency anticipates needing four (4) Compliance Examiner positions and one (1) Licensing Analyst position. A breakdown of costs is presented in the table below.

	Positions	Salary	Related Benefits	Equipment	Total
Compliance Examiner	4	\$40,144	\$26,030	\$2,000	\$272,696
License Analyst	1	\$35,069	\$24,267	\$2,000	\$61,336
<b>Total</b>					<b>\$334,032</b>

The LFO cannot corroborate the anticipated workload increase predicted by the agency. To the extent the number of lenders seeking a license is significantly less than what is currently anticipated, the workload may be absorbable, either wholly or partially, using existing staff and resources or may be achievable with fewer than five positions.

**REVENUE EXPLANATION**

Proposed law will likely result in an increase in SGR revenues for the Office of Financial Institutions (OFI) as a result of an increase in the number of lender license applications pursuant to consumer loans. The fiscal impact will depend on the number of new applications and renewals each year. OFI provides the following estimation, based on a 3-4% of the over 2,000 consumer loan lenders nationwide applying each year. To the extent the number of lenders applying is significantly different than what is estimated here, revenues will increase or decrease accordingly.

	New Applicants	Fee	Renewals	Fee	Total
FY 26	87	\$650	25	\$500	<b>\$69,050</b>
FY 27	65	\$650	95	\$500	<b>\$89,750</b>
FY 28	87	\$650	132	\$500	<b>\$122,550</b>
FY 29	65	\$650	188	\$500	<b>\$136,250</b>
FY 30	87	\$650	224	\$500	<b>\$168,550</b>

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Patrice Thomas**  
**Deputy Fiscal Officer**