## HOUSE SUMMARY OF SENATE AMENDMENTS

## HB 582

**2025 Regular Session** 

LaCombe

FINANCIAL INSTITUTIONS: Provides relative to deferred presentment transactions and small loans

## Synopsis of Senate Amendments

- 1. Makes technical changes.
- 2. Removes the provision that allows a licensee to charge the equivalent rate of interest on a small loan.
- 3. Requires the Office of Financial Institutions, beginning on or before Sept. 1st of each year, to publish a new maximum outstanding principal balance permitted on its website.

## Digest of Bill as Finally Passed by Senate

<u>Proposed law</u> defines "commissioner", "Consumer Price Index for All Urban Consumers", "deferred presentment transaction", "licensee", "partial payment", "prepayment", and "small loan".

<u>Present law</u> includes in the definition of "deferred presentment transaction" a cap on the monetary amount of \$350, authorized by <u>present law</u> to be paid to the issuer of the check.

<u>Proposed law</u> increases the monetary amount provided for in the deferred presentment transaction definition from \$350 to \$700. Proposed law otherwise retains present law.

<u>Present law</u> allows a licensee, in conjunction with a deferred presentment transaction or small loan, to charge a fee not to exceed a certain percentage as specified in <u>present law</u> (R.S. 9:3578.4(A)) of the face amount of the check issued, or in the case of a small loan, the equivalent rate of interest, provided, however, that such fee or interest does not exceed \$45.00, regardless of the name or type of charge.

<u>Proposed law</u> removes the provision that allows a licensee to charge the equivalent rate of interest on a small loan and further removes the provision that prohibits the fee or interest from exceeding \$45.00. <u>Proposed law</u> otherwise retains <u>present law</u>.

<u>Proposed law</u> requires the office of financial institutions, beginning on or before Sept. 1st of each year, to publish a new maximum outstanding principal balance permitted on its website. <u>Proposed law</u> further provides the formula for how the new amount shall be calculated.

<u>Proposed law</u> prohibits a licensee from reporting negative information about its customers to any credit bureau or credit reporting service.

(Amends R.S. 9:3578.3 and 3578.4(A)(1); Adds R.S. 9:3578.4(D) and 3578.6(A)(9))