

2018 Regular Session

SENATE BILL NO. 171

BY SENATOR THOMPSON

FINANCIAL INSTITUTIONS. Provides relative to consumer loans. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 9:3561(D), relative to consumer loans; to provide for the
3 acquisition or control of a consumer loan license; to provide for certain procedures,
4 terms, and conditions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 9:3561(D) is hereby amended and reenacted to read as follows:

7 §3561. Single place of business; additional licenses

8 * * *

9 D.(1) No person shall acquire or control a consumer loan license through the
10 acquisition or control of ~~more than fifty percent~~ **twenty-five percent or more** of the
11 ownership interest in a licensee without first having obtained written approval from
12 the commissioner, pursuant to an application for a change of control in ownership
13 of the licensee filed in the manner and on a form prescribed by the commissioner and
14 accompanied by a fee of three hundred dollars. Any person who acquires controlling
15 interest in a licensee without first having filed an application for change of control
16 with the commissioner shall be deemed to be operating without proper authority
17 under this Chapter and is subject to the penalties of R.S. 9:3554.1.

1 (2) For the purposes of this Section, a person acquires or controls the licensee
 2 when the person directly or acting through one or more other persons owns a
 3 majority **twenty-five percent or more** interest in the licensee, or exercises a
 4 controlling influence over the management or the policies of the licensee as
 5 determined by the commissioner after notice and an opportunity for an informal
 6 meeting, not subject to the Administrative Procedure Act, regardless of whether the
 7 acquisition or control occurs incrementally over a period of time or as one
 8 transaction.

9 ~~(3) Any person who acquires or anticipates acquiring a seventy-five percent~~
 10 ~~interest in a licensee shall file for a new license prior to acquiring ownership of said~~
 11 ~~interest either incrementally over a period of time or as one transaction.~~

12 * * *

13 Section 2. This Act shall become effective upon signature by the governor or, if not
 14 signed by the governor, upon expiration of the time for bills to become law without signature
 15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 17 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Michelle Ridge.

DIGEST

SB 171 Original 2018 Regular Session Thompson

Present law provides relative to the licensing of persons who make consumer loans.

Present law provides that no person shall acquire or control a consumer loan license through the acquisition or control of more than 50% or more of the ownership interest in a licensee without first having obtained written approval from the commissioner, pursuant to an application for a change of control in ownership of the licensee filed in the manner and on a form prescribed by the commissioner and accompanied by a fee of \$300.

Present law provides that a person acquires or controls the licensee when the person directly or acting through one or more other persons owns a majority interest in the licensee, or exercises a controlling influence over the management or the policies of the licensee as determined by the commissioner after notice and an opportunity for an informal meeting, not subject to the Administrative Procedure Act, regardless of whether the acquisition or control occurs incrementally over a period of time or as one transaction.

Proposed law changes the ownership interest amount that requires approval from the commissioner to acquire or control a consumer loan license from 50% or more to 25% or

more.

Proposed law removes from law the requirement that any person who acquires or anticipates acquiring a 75% interest in a licensee file for a new license prior to acquiring ownership of said interest either incrementally over a period of time or as one transaction.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 9:3561(D))