

- (3) Delinquency charges.
- (4) Non-sufficient funds (NSF) charges.
- (5) An underwriting fee not exceeding \$50 but only when the principal amount originally contracted for is at least \$400.

Proposed law provides that all fees and charges imposed, except delinquency and NSF charges, shall be included in the calculation of the total amount of fees and charges and shall not exceed 100% of the original loan. Prohibits any other charges not specifically authorized by proposed law.

Proposed law provides requirements for verifying a borrower's income.

Proposed law provides that certain acts are prohibited by a licensee including the execution of a second device or agreement intended or designed to evade requirements, the inclusion of a hold harmless clause and confession of judgment clause in an agreement, electronic draft of funds from a borrower's account without specific consent, refusal of a partial loan payment of \$50 or more, and others. Proposed law provides the authority for enforcement with the office of financial institutions (OFI).

Proposed law provides that a licensee may charge and collect from the borrower a late penalty of no more than 10% of the delinquent amount but only when the terms of the penalty are clearly disclosed, in writing, in the credit access loan agreement and the borrower has failed to pay the delinquent amount within 10 days following the applicable due date.

Proposed law provides that the agreement may require that the borrower pay all costs awarded by a court, in addition to reasonable attorney fees that shall not exceed 25% of the unpaid loan amount, but only when the borrower has defaulted and the licensee has referred the matter to an attorney for collection.

Proposed law requires OFI to promulgate rules necessary to implement and effectuate the purposes of proposed law within 180 days of proposed law becoming effective.

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

(Adds R.S. 51:1501-1506)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Provides that the total amount of fees and charges over the lifetime of the loan shall not exceed 100% of the principal amount of the original loan.

2. Provides that the loan disclosure notice shall state that a borrower may request an extended payment plan once every twelve months, if the borrower is unable to pay the loan in full when due.