
DIGEST

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HB 513 Original

2025 Regular Session

Riser

Abstract: Creates the Louisiana Consumer Alternative Installment Loan Act.

Proposed law provides for the Louisiana Consumer Alternative Installment Loan Act.

Proposed law defines "applicable interest" and "precomputed consumer loan".

Proposed law provides that no person, partnership, association, limited liability company, or corporation shall engage in the business of making consumer loans of money as provided by proposed law and charge, contract for, or receive on any such loan interest, discount, or consideration therefor without demonstrating to the satisfaction of the commissioner that they are the holder of a valid and subsisting license in accordance with present law.

Proposed law provides for who proposed law shall not apply to.

Proposed law provides options for any precomputed consumer loan that a licensed lender makes.

Proposed law provides for the administration and enforcement of proposed law.

Proposed law provides for what present law that applies to proposed law.

Proposed law provides for how to compute time for loans made in accordance with the interest indicated in proposed law.

Proposed law provides that in lieu of the finance charges and fees allowed pursuant to present law on precomputed consumer loans of \$5500 or less, a licensed lender may contract and charge a monthly loan finance charge not to exceed an annual percentage rate, calculated according to the actuarial method, of 59% per annum on the unpaid balance of the amount financed.

Proposed law provides for how loans made pursuant to proposed law shall be repayable.

Proposed law provides that payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid.

Proposed law provides for what a licensed lender shall do when any loan is paid in full by cash, renewal, or refinancing, or a new loan, one month or more before the final installment due date.

Proposed law provides for what a licensed lender shall do if the prepayment occurs before the first installment due date.

Proposed law provides that a late payment charge that complies with present law shall not be considered a finance charge, if contracted for in writing.

Proposed law provides that no licensed lender or other person may condition an extension of credit to a consumer borrower on the consumer's repayment by preauthorized electronic funds transfers or post-dated check. Consumers may choose any method of payment offered by the licensed lender including but not limited to electronic fund transfers or debit card payments.

Proposed law provides for language that shall be included on each loan agreement entered into between a licensed lender and a consumer borrower.

Proposed law provides that at the time a loan is made or within 20 days after a loan is made, a licensed lender shall not:

- (1) Accept a check and agree to hold it for a period of days before deposit or presentment.
- (2) Accept a check dated later than the date written.

Proposed law provides that on or before July 1st of each year, the office of financial institutions shall issue a memorandum authorizing a new maximum loan size permitted pursuant to proposed law. Proposed law provides for how the new amount will be calculated.

Proposed law provides for the power and authority of the commissioner to adopt rules to implement proposed law.

(Adds R.S. 9:3530.1-3530.6)