

HOUSE COMMITTEE AMENDMENTS

Amendments proposed by House Committee on Commerce to Original House Bill No. 766 by Representative Ponti

1 AMENDMENT NO. 1

2 On page 1, delete lines 2 and 3 in their entirety and on line 4, at the beginning of the line,
3 delete "consumer credit transactions" and insert the following:

4 "To amend and reenact R.S. 9:3557(B), 3560(A)(8), 3561(A), 3561.1(G)(1),
5 3578.4(A)(2)(a) and (b), 3578.7 and to enact R.S. 9:3518.4, 3561.2, and 3578.4.1,
6 relative to record maintenance for and licensees of consumer credit transactions;"

7 AMENDMENT NO. 2

8 On page 1, line 8, after "state;" insert "to permit certain licensees to offer extended payment
9 plans prior to default of certain consumer credit or deferred presentment transactions; to
10 provide relative to notice requirements for certain consumer credit or deferred presentment
11 transactions; to provide for an effective date;"

12 AMENDMENT NO. 3

13 On page 1, delete lines 10 through 12 in their entirety, and insert the following:

14 "Section 1. R.S. 9:3557(B), 3560(A)(8), 3561(A), 3561.1(G)(1), and
15 3578.4(A)(2)(a) and (b) are hereby amended and reenacted and R.S. 9:3518.4,
16 3561.2, and 3578.4.1 are hereby enacted to read as follows:"

17 * * *

18 AMENDMENT NO. 4

19 On page 4, between lines 17 and 18, insert the following:

20 "§3578.4. Finance charge and fees

21 A.

22 * * *

23 (2) ~~However, if~~ If the loan remains unpaid at contractual maturity, the
24 licensee may charge ~~one of the following:~~

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (a) ~~An~~ an amount equal to the rate of thirty-six percent per annum for a
 2 period not to exceed one year and beginning one year after contractual maturity, the
 3 rate shall not exceed eighteen percent per annum.

4 (b) ~~A one-time delinquency charge as authorized in R.S. 9:3527(A)(1).~~

5 * * *

6 §3578.4.1. Extended payment plan; terms; conditions

7 A.(1) A consumer who is unable to repay either a deferred presentment
 8 transaction or small loan when due to a licensee, may elect once in any twelve-month
 9 period to repay the licensee the amount due under the deferred presentment
 10 transaction or small loan by means of installments, referred to as an extended
 11 payment plan in this Section.

12 (2) A consumer is ineligible for an extended payment plan if the consumer
 13 previously obtained an extended payment plan from the licensee within the
 14 preceding twelve months. The twelve-month period shall be measured from the date
 15 that the extended payment plan is executed between the licensee and the consumer.

16 B. (1) To be eligible for an extended payment plan, the consumer shall
 17 request to enter into the plan before the due date of the outstanding deferred
 18 presentment transaction or small loan.

19 (2) The licensee and consumer shall execute an agreement, in writing, that
 20 modifies the terms of the outstanding small loan or deferred presentment transaction
 21 and establishes the terms of the extended payment plan.

22 C. (1) The terms of the extended payment plan shall:

23 (a) Allow the consumer to repay the outstanding deferred presentment
 24 transaction or small loan, including any fees due prior to entering into the plan, in at
 25 least four substantially equal installments.

26 (b) Allow the consumer to prepay sums due pursuant to an extended payment
 27 plan in full at any time without penalty.

28 (c) Prohibit the licensee from charging the consumer any interest, or
 29 additional charges or fees during the term of the plan.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (d) Require that the first plan installment shall be due no sooner than thirty
2 days following the execution of the plan, unless a shorter period of time is agreed to
3 by the consumer and licensee based on when the consumer receives income. The
4 dollar amount of each installment shall be substantially the same and the installment
5 due dates shall be spread out substantially evenly over the term of the extended
6 payment plan.

7 (2) The terms of the extended payment plan may permit the licensee to do
8 either of the following:

9 (a) With each payment under the plan by a consumer, provide for the return
10 of the consumer's previously held check and require a new check for the remaining
11 balance under the plan.

12 (b) Require the consumer to provide multiple checks, one for each of the
13 installments in the amounts of each installment at the time the plan is executed.

14 D. A licensee shall immediately give a consumer receipts, signed and dated
15 by the licensee, for any payments made in connection with the extended payment
16 plan. The receipts shall also state the balance due under the extended payment plan
17 after each payment.

18 E. (1) If the consumer fails to pay any extended payment plan installment
19 when due, the consumer shall be in default of the extended payment plan and the
20 licensee may immediately accelerate payment on only the remaining balance of the
21 extended payment plan.

22 (2) Upon default, the licensee may take action to collect only the amount
23 outstanding on the extended payment plan. A licensee is prohibited from collecting
24 any amount on an extended payment plan other than what the consumer owes
25 pursuant to the plan on the date of default.

26 F. If a consumer enters into an extended payment plan, the consumer and
27 licensee are prohibited from entering into a subsequent deferred presentment
28 transaction or small loan until repayment in full of the extended payment plan.

29 G. (1) At each licensed location or on the homepage of a licensee's website,
30 a licensee shall prominently post a notice visible to the public and all those visiting

1 the website stating that if a consumer is unable to repay either a deferred presentment
2 transaction or small loan when due, the consumer can enter into one extended
3 payment plan for either a deferred presentment transaction or small loan if he notifies
4 the licensee as required by R.S. 9:3578.4.1(B)(1) before the payment is due of his
5 inability to make payment.

6 (2) A licensee shall also notify a person of his right to enter into an extended
7 payment plan by including the following statement, in at least twelve point bold type,
8 on the first page of each deferred presentment or small loan agreement: "IF YOU
9 CANNOT MAKE PAYMENT WHEN DUE, YOU CAN ASK TO ENTER INTO
10 AN EXTENDED PAYMENT PLAN ONCE IN A TWELVE MONTH PERIOD,
11 BUT THE REQUEST MUST BE MADE BEFORE PAYMENT IS DUE. SHOULD
12 YOUR LICENSEE (LENDER) REFUSE TO ENTER INTO AN EXTENDED
13 PAYMENT PLAN UPON YOUR REQUEST BEFORE THE DUE DATE,
14 CONTACT THE OFFICE OF FINANCIAL INSTITUTIONS AT 1-888-525-9414."

15 * * *

16 §3578.7. Posting of notice; toll-free number

17 The commissioner may provide a notice, which includes a toll-free number
18 to the commissioner's office, which shall be posted, along with the fees as allowed
19 under this Chapter, in a conspicuous place and manner by the licensee at the lending
20 location or on the homepage of the website of the licensee, or both if the licensee has
21 a physical location in the state and a website.

22 * * *"