

Regular Session, 2014

HOUSE CONCURRENT RESOLUTION NO. 3

BY REPRESENTATIVE STOKES

ADMINISTRATIVE LAW: Amends portion of law relative to repossession agency apprentices

1 A CONCURRENT RESOLUTION

2 To amend and reenact the Office of Financial Institutions rules, LAC 10:XV.1303(E)(3) and
3 1315(A)(4), which provide that a repossession agency is prohibited from sponsoring
4 more than one apprentice for every two licensed repossession agents at any one time,
5 which provide that an apprentice is prohibited from repossessing collateral without
6 on site supervision of a repossession agent, and to direct the Office of the State
7 Register to print the amendments in the Louisiana Administrative Code.

8 WHEREAS, R.S. 6:966 requires any individual who physically obtains possession
9 of collateral pursuant to Chapter 10-A of Title 6 of the Louisiana Revised Statutes of 1950
10 to first obtain a repossession agent license from the Office of Financial Institutions; and

11 WHEREAS, R.S. 6:966.1 authorizes the commissioner of financial institutions to
12 promulgate rules and regulations in accordance with the Administrative Procedure Act with
13 respect to the repossession of collateral; and

14 WHEREAS, LAC 10:XV.1301 defines a repossession agency as "any person who
15 through a designated repossession agent engages in business or accepts employment to
16 locate or recover collateral registered under the provisions of the Louisiana Vehicle
17 Certificate of Title Law, R.S. 32:701 et seq., which has been sold under a security agreement
18 or used as security in a loan transaction, including any secured party which utilizes its
19 employees to repossess collateral"; and

1 WHEREAS, LAC 10:XV.1303(D)(1)(d) requires that two years of experience within
2 the previous three years be completed prior to application of any person seeking a license
3 as a repossession agent; and

4 WHEREAS, LAC 10:XV.1303(F)(1) provides that one year of qualifying experience
5 consists of not less than one thousand hours of actual compensated work performed by the
6 applicant with a repossession agency prior to application for license as a repossession agent;
7 and

8 WHEREAS, LAC 10:XV.1303(D)(1)(d) and LAC 10:XV.1303(F)(1) in combination
9 require the completion of two thousand hours of actual compensated work within the
10 previous three years as qualifying experience prior to application for license as a
11 repossession agent; and

12 WHEREAS, LAC 10:XV:1301 defines an apprentice as a trainee who works under
13 the direct supervision of a repossession agent; and

14 WHEREAS, LAC 10:XV.1303(E)(1) provides that a repossession agency may
15 sponsor and apply for the licensing of a previously unlicensed individual as an apprentice
16 by providing to the commissioner a letter of intent to sponsor and accept responsibility for
17 the apprentice applicant; and

18 WHEREAS, an apprentice shall complete two thousand hours of qualifying
19 experience and satisfy other requirements within the three previous years prior to application
20 for license as a repossession agent; and

21 WHEREAS, a repossession agency is limited to sponsoring only one apprentice for
22 every two licensed repossession agents at any one time; and

23 WHEREAS, LAC 10:XV.1315(A)(4) provides that an apprentice is prohibited from
24 repossessing collateral without on site supervision of a repossession agent; and

25 WHEREAS, the direct supervision of an apprentice attempting to accrue two
26 thousand hours of qualifying experience may create an undue hardship for the sponsoring
27 repossession agency in terms of manpower; and

28 WHEREAS, the undue burden experienced by the sponsoring repossession agency
29 may be relieved if the apprentice is permitted to physically obtain possession of collateral

1 for a secured party, without the direct supervision and presence of a licensed repossession
2 agent, if the apprentice has completed a minimum number of qualifying experience hours
3 under the direction and supervision of the sponsor and the apprentice has received a
4 designation as a certified recovery specialist from a recognized national certification
5 program pursuant to LAC 10:XV.1303(D)(1)(e); and

6 WHEREAS, R.S. 49:969 provides that the legislature, by concurrent resolution, may
7 suspend, amend, or repeal any rule adopted by a state department, agency, board, or
8 commission.

9 THEREFORE, BE IT RESOLVED by the Legislature of Louisiana that LAC
10 10:XV.1303(E)(3) and 1315(A)(4) are hereby amended and reenacted to read as follows:

11 §1303. Licensing Requirements and Qualifications

12 * * *

13 E. Apprentice

14 * * *

15 3. No repossession agency shall sponsor more than one apprentice for every
16 two licensed repossession agents at any one time. At the discretion of the sponsor,
17 the apprentice may physically obtain possession of collateral for a secured party,
18 without the direct supervision and presence of a licensed repossession agent, if the
19 apprentice has completed a minimum of 250 hours of qualifying experience under
20 the direction and supervision of the sponsor and satisfies the qualification
21 requirements of §1303.(D)(1)(a), (b), (c), and (e).

22 * * *

23 §1315. Prohibitions

24 A. A repossession agent shall not:

25 * * *

26 4. allow an apprentice to repossess collateral without on-site supervision of
27 a repossession agent, except as provided in LAC 10:XV.1303(E)(3);

28 * * *

1 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
2 Office of the State Register and the Office of Financial Institutions.

3 BE IT FURTHER RESOLVED that the Office of the State Register is hereby
4 directed to have the amendments to LAC 10:XV.1303(E)(3) and 1315(A)(4) printed and
5 incorporated into the Louisiana Administrative Code.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Stokes

HCR No. 3

Amends LAC 10:XV.1303(E)(3) and 1315(A)(4) of the rules of the Office of Financial Institutions to provide that an apprentice working to become a repossession agent may physically obtain possession of collateral for a secured party, without the direct supervision and presence of a licensed repossession agent, if the apprentice completes a minimum of 250 hours of qualifying experience under the direction and supervision of the sponsor and meets all of the following additional qualifications:

- (1) Is at least 18 years or older and a citizen of the United States or a resident alien holding proper documentation.
- (2) Is of good character and fitness.
- (3) Has not been convicted of a felony in the previous 10 years unless the conviction was expunged, set aside, or the individual received a first offense pardon.
- (4) Has received a designation as a certified recovery specialist from a recognized national certification program.

Directs the La. Register to print the amendments to LAC 10:XV.1303(E)(3) and 1315(A)(4) in the La. Administrative Code.

(Amends LAC 10:XV.1303(E)(3) and 1315(A)(4))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Made technical change.

House Floor Amendments to the engrossed bill.

1. Amended LAC 10:XV.1315(A)(4) to provide for the exception that a repossession agency is prohibited from allowing an apprentice to repossess collateral without on site supervision of a repossession agent, except as provided in LAC 10:XV.1303(E)(3).