

Regular Session, 2014

HOUSE CONCURRENT RESOLUTION NO. 3

BY REPRESENTATIVE STOKES

A CONCURRENT RESOLUTION

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, the undue burden experienced by the sponsoring repossession agency may be relieved if the apprentice is permitted to physically obtain possession of collateral for a secured party, without the direct supervision and presence of a licensed repossession

agent, if the apprentice has completed a minimum number of qualifying experience hours under the direction and supervision of the sponsor and the apprentice has received a designation as a certified recovery specialist from a recognized national certification program pursuant to LAC 10:XV.1303(D)(1)(e); and

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

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

§1303. Licensing Requirements and Qualifications

\* \* \*

E. Apprentice

\* \* \*

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

\* \* \*

§1315. Prohibitions

A. A repossession agent shall not:

\* \* \*

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

\* \* \*

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

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

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE