SLS 16RS-362 **ENGROSSED**

2016 Regular Session

SENATE BILL NO. 108

BY SENATOR THOMPSON

LOANS. Provides relative to a deferred presentment or small loan transaction. (8/1/16)

AN ACT

1	AN ACT
2	To amend and reenact R.S. 9:3578.4.1(G)(2)(a), relative to deferred presentment and small
3	loans; to provide for the extended payment plan process; and to provide for related
4	matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 9:3578.4.1(G)(2)(a) is hereby amended and reenacted to read as
7	follows:
8	§3578.4.1. Extended payment plan; terms; conditions
9	* * *
10	G.(1) * * *
11	(2)(a) A licensee shall also notify a person of his right to enter into an
12	extended payment plan by including the following statement, in at least sixteen-point
13	bold type, on the first page of each deferred presentment or small loan agreement:
14	"IF YOU CANNOT MAKE PAYMENT WHEN DUE, YOU CAN ASK TO ENTER
15	INTO AN EXTENDED PAYMENT PLAN ONCE IN A TWELVE-MONTH
16	PERIOD, BUT THE REQUEST MUST BE MADE BEFORE PAYMENT IS DUE.
17	REQUESTS MAY BE MADE IN PERSON OR BY CALLING

1 (LICENSEE/LENDER TO INSERT NAME AND PHONE NUMBER HERE).
2 SHOULD YOUR LENDER (LICENSEE) REFUSE IF (LICENSEE/LENDER TO
3 INSERT NAME HERE) REFUSES TO ENTER INTO AN EXTENDED
4 PAYMENT PLAN UPON YOUR REQUEST BEFORE THE DUE DATE,
5 CONTACT THE OFFICE OF FINANCIAL INSTITUTIONS AT 1-888-525-9414."
6 * * * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Linda Nugent.

DIGEST 2016 Regular Session

SB 108 Engrossed

Thompson

<u>Present law</u> relative to deferred presentment transactions or small loans requires disclosure of the borrower's right to an extended payment plan in the event he cannot meet the original payment plan. Requires that the first page of the agreement contain a statement, in at least 16-point bold type, that if the borrower cannot make the payment when due, he may ask, prior to the due date, to enter into an extended payment plan once in a 12-month period. The statement further instructs the borrower that if the "lender (licensee)" refuses to enter into an extended payment plan to contact the Office of Financial Institutions (OFI) at 1-888-525-9414.

<u>Proposed law</u> provides that the borrower seeking an extended payment plan is to first contact the licensee/lender and requires the licensee/lender to place its name and phone number in the statement. Instructs the borrower to call OFI if the licensee/lender refuses to enter into an extended payment plan. Retains remainder of <u>present law</u>.

Effective August 1, 2016.

(Amends R.S. 9:3578.4.1(G)(2)(a))