

2016 Regular Session

SENATE BILL NO. 108

BY SENATOR THOMPSON

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

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 MUST BE IN WRITING AND MAY BE MADE IN PERSON, BY

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

The original instrument was prepared by Linda Nugent. The following digest, which does not constitute a part of the legislative instrument, was prepared by Cheryl M. Serrett.

DIGEST

SB 108 Reengrossed

2016 Regular Session

Thompson

Present law 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.

Proposed law provides that the borrower seeking an extended payment plan shall make the request in writing and may submit the request in person, by email or by facsimile and requires the licensee/lender to place its name, email, address, phone number and facsimile number in the statement. Retains remainder of present law.

Effective August 1, 2016.

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

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Requires the request be made in writing and clarifies the methods by which the requests may be submitted.
2. Adds additional information that the licensee/lender must include in the statement.