

property of the borrower.

Proposed law provides that an installment loan shall include, along with any other applicable present law requirements, the following:

- (1) A next-business-day customer's right of rescission for any installment loan.
- (2) A notice informing the customer that complaints may be made to the commissioner, including the telephone number and address of the office of the commissioner.

Proposed law states that, in conjunction with an installment loan, a licensee may impose an origination charge, to be collected upon origination, up to a maximum of 20% on the first \$300 of the loan and an additional 7.5% on any remaining loan amount not to exceed the maximum amount allowed pursuant to the provisions of proposed law.

Proposed law states that the licensee may also impose any of the following:

- (1) A monthly service charge not in excess of 7.5% of the original loan amount that is calculated on the original loan amount and divided over the lifetime of the loan.
- (2) A charge in an amount not in excess of 45% APR that is calculated on the original loan amount and divided over the lifetime of the loan for a period not to exceed one year.

Proposed law states that, in conjunction with an installment loan, a borrower may do the following:

- (1) After entering into an initial installment loan, a borrower may enter into one consecutive unsecured loan; however, the borrower shall not be allowed to enter into any additional consecutive unsecured loan until at least 30 days have lapsed from the conclusion of the consecutive unsecured loan.
- (2)
 - (a) Relative to any consecutive unsecured loan described in proposed law, a borrower may opt into an extended payment plan at no cost imposed by the licensee.
 - (b) The extended payment plan shall provide the borrower with an additional 60 days in which to pay the remainder of the consecutive unsecured loan amount and allow the borrower to pay such amount in up to a maximum of 4 separate payments.

Proposed law provides that, in the event that a borrower is delinquent in the payment of a monthly payment pursuant to the terms of an installment loan, the licensee may charge and collect from the borrower a late charge of 10% of the delinquent payment amount, provided that the terms of such a charge are clearly disclosed in the installment loan agreement.

Proposed law states that no such charge as described in proposed law may be imposed against a borrower unless the borrower has failed to pay the delinquent amount within 10 business days after the due date.

Proposed law further states, that in the event that a borrower is delinquent in the payment of a monthly payment for more than 60 days, the licensee may charge and collect from the borrower any of the following, provide that such penalties are clearly disclosed in the installment loan agreement:

- (1) A reasonable collection charge and attorney's fees if the licensee is required to employ a third party, including but not limited to an attorney, to collect from the borrower.
- (2) Any court costs or court-awarded damages, including those incurred in any appellate proceeding, relating to collection from the borrower.
- (3) Any fees and costs incurred relating to the repossession or sale of collateral of the borrower.

Proposed law directs OFI to promulgate any rules and regulations in accordance with the Administrative Procedure Act necessary to implement the provisions of proposed law.

Effective January 1, 2019.

(Adds R.S. 6:1371-1376)