



- (5) Scheduled repayment of an installment loan is permitted on a biweekly, bimonthly or monthly basis, and in substantially equal installments.

Proposed law provides that an installment loan may be either unsecured or secured by personal 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 a monthly service charge not in excess of 9% of the original loan amount.

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, as verified by a private third-party database, approved by the commissioner of financial institutions.
- (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 four separate payments.

Proposed law provides that, in the event a borrower is delinquent in a 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 reasonable attorney fees and costs awarded by a court, if the charge and collection for such fees and costs have been clearly disclosed in the installment loan agreement.

Proposed law further provides that a licensee shall not:

- (1) Except for reasonable attorney fees and costs awarded by a court, charge, contract for, receive, or collect a loan finance charge or credit service charge, or any other fee or charge other than as provided in proposed law.
- (2) Refuse a partial loan payment of \$50 or greater.
- (3) Divide a deferred presentment transaction or small loan into multiple agreements for the purpose of obtaining a higher fee or charge.
- (4) Threaten any customer with prosecution or refer for prosecution any check accepted as payment of a deferred presentment transaction and returned by the lender's depository institution for reason of insufficient funds.
- (5) Structure the repayment of a loan in such a manner as to attempt to circumvent the provisions of proposed law.

Proposed law provides that the commissioner may provide a notice, which includes a toll-free number to the commissioner's office, which shall be posted, along with the fees as allowed under proposed law, in a conspicuous place and manner by the licensee at the lending location or on the homepage of the website of the licensee, or both if the licensee has a physical location in the state and a website.

Proposed law further provides that commissioner may adopt rules and apply certain present law for purposes of administering and regulating the activities of licensees and the provisions of proposed law.

Proposed law provides that it does not apply to any federally-insured depository institution, or a subsidiary of any state chartered or federally chartered entity in which 80% or more of the ownership rests with such parent entity.

Effective August 1, 2019.

(Adds R.S. 6:1371-1379)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Changes name of Act to Louisiana Credit Access Loan Act.
2. Changes effective date from Jan. 1, 2019, to Aug. 1, 2019.

3. Revises provisions relative to installment loan terms, restrictions, and exemptions.