
DIGEST

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HB 1219 Original

2026 Regular Session

Ventrella

Abstract: Regulates the practice of consumer legal funding by establishing a maximum rate of return for consumer lawsuit funders.

Proposed law provides legislative purpose for proposed law.

Proposed law provides for a rule of construction.

Proposed law defines "consumer", "consumer lawsuit funder", "consumer lawsuit funding", and "dispute".

Proposed law provides that no consumer lawsuit funder shall collect a rate of return from a consumer exceeding the maximum conventional interest rate allowable pursuant to present law.

Proposed law provides that any amount collected by the consumer lawsuit funder in excess of the amount advanced to, provided to, or purchased from the consumer shall be considered for the purposes of calculating the percentage rate of return pursuant to proposed law.

Proposed law provides that a consumer lawsuit funding agreement shall be in writing, executed by both the consumer and the consumer lawsuit funder, and shall clearly set forth the terms of the transaction, including all of the following:

- (1) The total amount to be advanced, provided, or purchased;
- (2) An itemized calculation of all fees, charges, or other amounts due to the funder;
- (3) The method by which the funder will be repaid from proceeds of settlement, judgment, award, or other resolution; and
- (4) A conspicuous written disclosure that the agreement may affect the consumer's net recovery from the dispute.

Proposed law provides that the annual percentage rate applicable to the consumer lawsuit funding transaction, if any, shall be clearly and conspicuously disclosed in bold typeface not smaller than 12-point font on the first page of the contract.

Proposed law provides that no consumer lawsuit funder shall do any of the following:

- (1) Charge, contract for, or receive an effective rate of return that exceeds the lawful maximum as provided by present law.
- (2) Misrepresent the terms of a consumer lawsuit funding agreement or the effect of a consumer lawsuit funding transaction on the consumer's rights or recovery.
- (3) Require a consumer to waive any substantive rights or remedies available under law.

Proposed law exempts from the provisions of proposed law any agreement, advance, loan, or other extension of credit made to or on behalf of an attorney or law firm or any agreement or arrangement for the provision of medical care, treatment, or services to a consumer.

Proposed law declares a violation of proposed law an unfair trade practice in accordance with present law.

Proposed law provides for remedies available to consumers injured by violations of proposed law.

Proposed law provides for enforcement by the attorney general.

(Adds R.S. 9:3580.21-3580.27).