

2026 Regular Session

HOUSE BILL NO. 952

BY REPRESENTATIVE JORDAN

CREDIT/CONSUMER LOANS: Provides relative to consumer loans

1 AN ACT

2 To amend and reenact R.S. 9:3519(A), 3530(A)(1), and 3561.1(A) and (B) and to enact R.S.
3 9:3530.1 through 3530.5, relative to consumer loans; to provide for maximum loan
4 finance charges; to provide for an origination fee; to provide for an assistance
5 program; to provide for suspension of penalties; to provide for a credit education
6 program; to provide for the ability to pay; to provide for repayment; to provide for
7 license and renewal fees; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 9:3519(A), 3530(A)(1), and 3561.1(A) and (B) are hereby amended
10 and reenacted and R.S. 9:3530.1 through 3530.5 are hereby enacted to read as follows:

11 §3519. Consumer loans

12 A. The maximum loan finance charge for any consumer loan other than one
13 made with a lender credit card that may be charged, contracted for, or received by
14 a licensed lender or supervised financial organization ~~may equal but not exceed:~~ shall
15 not exceed the following rates for the respective portions of the unpaid principal
16 balance of the loan:

17 ~~(a)(1)~~ (1) Thirty-six percent per year for that portion of the unpaid principal
18 amount of the loan not exceeding ~~one thousand four hundred~~ two thousand five
19 hundred dollars;

1 §3530.2. Suspension of penalties and remedial measures after disaster declaration

2 A. In the event of a "major disaster" declaration defined under 42 U.S.C.
3 5122(2) by the Federal Emergency Management Agency in this state, licensed
4 lenders operating in the designated parishes shall suspend for a period of sixty days
5 from the date of the initial declaration, all of the following:

6 (1) The application of late charges and delinquency fees as provided for in
7 R.S. 9:3527.

8 (2) The filing of new actions for repossession of collateral pledged to loans
9 made under this Chapter.

10 (3) The filing of new lawsuits for collection of amounts owed for loans made
11 pursuant to this Chapter.

12 B. Time delays created by suspensions of action provided for in this Section
13 shall cease the running of prescription as provided for in Civil Code 3498 until the
14 lapse of the time frame stated in Subsection A of this Section.

15 §3530.3. Financial literacy

16 A. Licensed lenders shall offer borrowers a credit education program or
17 seminar provided by the licensed lender or a third-party provider, either in writing
18 or electronically. The credit education program may address the following topics,
19 including but not limited to:

20 (1) The importance and methodology of establishing a household budget.

21 (2) The impact of, value of, and ways to improve a credit score.

22 (3) The importance and methods of establishing household savings.

23 (4) Ways to obtain a free copy of a credit report.

24 (5) Ways to dispute an error in a credit report.

25 (6) Ways to manage and prevent identity theft.

26 B. A credit education program or seminar offered in accordance with this
27 Section shall be offered at no cost to the borrower.

28 C. A licensed lender shall not require a borrower to participate in a credit
29 education program or seminar as a condition of a loan.

Present law provides that the maximum loan finance charge for any consumer loan other than one made with a lender credit card that may be charged, contracted for, or received by a licensed lender or supervised financial organization may equal but not exceed:

- (1) 36% per year for that portion of the unpaid principal amount of the loan not exceeding \$1400.
- (2) 27% per year for that portion of the unpaid principal amount of the loan exceeding \$1400 and not exceeding \$4000.
- (3) 24% per year for that portion of the unpaid principal amount on the loan exceeding \$4000 and not exceeding \$7000.
- (4) 21% per year for that portion of the unpaid principal amount of the loan exceeding \$7000.

Proposed law instead provides that the maximum loan finance charge for any consumer loan other than one made with a lender credit card that may be charged, contracted for, or received by a licensed lender or supervised financial organization shall not exceed the following rates for the respective portions of the unpaid principal balance of the loan:

- (1) 36% per year for that portion of the unpaid principal amount of the loan not exceeding \$2,500.
- (2) 24% per year for that portion of the unpaid principal amount of the loan exceeding \$2,500 and not exceeding \$10,000.
- (3) 17% per year for that portion of the unpaid principal amount on the loan exceeding \$10,000.

Present law provides that a lender may charge an origination fee that does not exceed \$50 on a consumer loan or revolving loan account.

Proposed law increases the fee to \$75.

Proposed law provides that in the event of a "major disaster" declaration by FEMA in this state, if a licensed lender offers any assistance programs to borrowers impacted by the disaster, the licensed lender shall notify each borrower within 10 days of the licensed lender's establishment of the program, including certain information.

Proposed law provides that in the event of a "major disaster" declaration by FEMA in this state, licensed lenders operating in the designated parishes shall suspend for a period of 60 days from the date of the initial declaration, all of the following:

- (1) The application of late charges and delinquency fees as provided for in present law.
- (2) The filing of new actions for repossession of collateral pledged to loans made under present law.
- (3) The filing of new lawsuits for the collection of amounts owed for loans made under present law.

Proposed law provides that time delays created by suspensions of action provided for in proposed law shall cease the running of prescription as provided for in present law until the lapse of the time frame stated in proposed law.

Proposed law requires a licensed lender to offer borrowers a credit education program or seminar provided by the licensed lender or a third-party provider, either in writing or electronically. Proposed law provides for the topics included in the credit education program.

Proposed law requires that the credit education program or seminar to be offered at no cost to the borrower.

Proposed law requires that a licensed lender to not require a borrower to participate in a credit education program or seminar as a condition of a loan.

Proposed law requires that a licensed lender to not make a consumer loan unless the lender reasonably determines that the borrower has the ability to repay the loan according to its terms.

Proposed law provides that a borrower may prepay a consumer loan in whole or in part at any time without penalty or additional charge.

Present law provides that the initial application, survey, and license fee for a license to make consumer loans shall be \$650, payable in a form acceptable to the commissioner when the application is filed. Such application, survey, and license fee are nonrefundable. If the license is not issued for any reason, upon written request of the applicant, the fee is applied to the submission of a new application.

Proposed law increases the fee to \$900.

Present law provides that the annual renewal fee, including examination, is \$500, payable on or before Dec. 31st of each year.

Proposed law increases the fee to \$750.

(Amends R.S. 9:3519(A), 3530(A)(1), and 3561.1(A) and (B): Adds R.S. 9:3530.1-3530.5)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.
2. Amend present law to clarify that the maximum loan finance charge shall not exceed the rates listed in proposed law for the respective portions of the unpaid principal balance of the loan.
3. Amend what percentages can be charged per year based on the unpaid principal amount of the loan.
4. Add proposed law regarding the ability to repay a consumer loan.
5. Add proposed law relative to repayment.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Amend what percentages can be charged per year based on the unpaid principal amount of the loan.
3. Clarify what is suspended during a "major disaster" declaration.