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## DIGEST

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Arnold

HB No. 221

**Abstract:** Prohibits solicitations using a lender's name, trade name, service mark, trademark, or customer information without the written authorization of the lender, unless the solicitation contains certain disclosures.

Proposed law defines "lender" as a state or federally chartered bank, savings bank, credit union, or savings and loan association, which is operating in La. with one or more physical branches or a main office, and any affiliate thereof, or any third party operating with the consent of the lender.

Proposed law provides that a person shall not be considered a lender solely on the basis of the person's former employment with the lender.

Proposed law defines "publicly available information" as any information that a bank or credit union or any affiliate has a reasonable basis to believe is lawfully made available to the general public from any of the following:

- (1) Federal, state, or local government records.
- (2) Widely distributed media.
- (3) Disclosures to the general public that are required to be made by federal, state, or local law.

Proposed law defines "solicit" or "solicitation" as the initiation of a communication to a consumer for the purpose of encouraging the consumer to purchase property, goods, or services or apply for an extension of credit. "Solicit" shall not include communications initiated by the consumer or directed to the general public.

Proposed law defines "solicitor" as any individual, firm, corporation, limited liability company, partnership, organization, association, or other legal entity seeking to sell or market products or services. The term "solicitor" shall not include a "lender".

Proposed law prohibits a solicitor from using a lender's name, trade name, service mark, or trademark in a solicitation for the offering of services or products to a consumer without the written authorization of the lender, unless the oral, electronic, or written solicitation discloses all of the following:

- (1) The name, address, and telephone number of the solicitor making the solicitation.
- (2) A statement explaining that the solicitor making the solicitation is not affiliated with the referenced lender.
- (3) A statement that the solicitation is not authorized or sponsored by the referenced lender.
- (4) A statement that the referenced loan information was not provided by the lender.

Proposed law provides that the disclosures required by proposed law shall be located on the front page of all written or electronic solicitations. The disclosures shall be clear and conspicuous, in bold-faced type that is the same font size as is predominantly used in the solicitation.

Proposed law provides that there shall be a clear and audible recitation of the disclosures required by proposed law at the beginning of all oral solicitations.

Proposed law prohibits a solicitation for the purchase of services or products from containing a loan number, loan amount, or other specific loan information that is not publicly available information.

Proposed law prohibits a solicitor from using a loan number, loan amount, or other specific loan information that is publicly available information in a solicitation for the purchase of services or products unless the oral, written, or electronic solicitation discloses all of the following:

- (1) The name, address, and telephone number of the solicitor making the solicitation.
- (2) A statement that the solicitor making the solicitation is not affiliated with the lender.
- (3) A statement that the solicitation is not authorized or sponsored by the lender.
- (4) A statement that the loan information referenced was not provided by the lender and that the information was retrieved from public records.

Proposed law provides that the disclosures required by proposed law shall be located on the front page of all written or electronic solicitations. The disclosures shall be clear and conspicuous, in bold-faced type that is the same font size as is predominantly used in the solicitation.

Proposed law provides that there shall be a clear and audible recitation of the disclosures required by proposed law at the beginning of all oral solicitations.

Proposed law shall not apply to a lender who uses a loan number, loan amount, or other specific loan information derived from the business relationship between the lender and a current or former customer in communications with the current or former customer of the lender.

Proposed law provides that any reference to a lender and any reference to a loan number, loan

amount, or other specific loan information appearing on the outside of an envelope, visible through the envelope window, or on a postcard in connection with any written communication that includes or contains a solicitation for services or products, shall be prohibited unless express consent is given by the lender to the solicitor.

Proposed law provides that it shall not be a violation of proposed law for a solicitor or lender to use the trade name of another lender in an advertisement for services or products to compare the services or products offered by the other lender.

Proposed law authorizes a lender to seek an injunction against a solicitor who violates proposed law to enjoin the unlawful use of the name, trade name, trademark, service mark, or loan information.

Proposed law provides that the lender seeking the injunction shall not be required to prove actual damages as a result of the violation. Irreparable harm to the lender or owner shall be presumed.

Proposed law provides that the lender seeking the injunction may also seek to recover actual damages as a result of the violation.

Proposed law further provides that the lender, if it prevails in any action brought pursuant to proposed law, shall be entitled to recover costs associated with the action and reasonable attorney fees from the solicitor.

(Adds R.S. 6:412.1)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Clarified that a solicitation for the purchase of services or products shall not contain a loan number, loan amount, or other specific loan information that is not publicly available.
2. Deleted provision allowing an existing lender to report violations to the commissioner of the Office of Financial Institutions.
3. Deleted provision authorizing the commissioner of the Office of Financial Institutions to direct violators to cease and desist from making oral, written, or electronic solicitations.
4. Made technical changes.

House Floor Amendments to the engrossed bill.

1. Added credit union to the list of financial institutions in the definition of "lender".
2. Expanded the definition of "publicly available information" to include information that a credit union has a reasonable basis to believe is lawfully made available to the general public from certain sources.