The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Linda Nugent.

DIGEST

SB 108 Engrossed | 2016 Regular Session | Thompson

Present law relative to deferred presentment transactions or small loans requires disclosure of the borrower's right to an extended payment plan in the event he cannot meet the original payment plan. Requires that the first page of the agreement contain a statement, in at least 16-point bold type, that if the borrower cannot make the payment when due, he may ask, prior to the due date, to enter into an extended payment plan once in a 12-month period. The statement further instructs the borrower that if the "lender (licensee)" refuses to enter into an extended payment plan to contact the Office of Financial Institutions (OFI) at 1-888-525-9414.

Proposed law provides that the borrower seeking an extended payment plan is to first contact the licensee/lender and requires the licensee/lender to place its name and phone number in the statement. Instructs the borrower to call OFI if the licensee/lender refuses to enter into an extended payment plan. Retains remainder of present law.

Effective August 1, 2016.

(Amends R.S. 9:3578.4.1(G)(2)(a))