

1 2. The lender shall be required to verify the accuracy of the
2 affidavit through commercially reasonable means. A lender's method
3 of so verifying shall be considered in compliance with the
4 provisions of this section if the verification method includes a
5 manual investigation or an electronic query of:

6 a. the lender's own records, including both records
7 maintained at the location where the loan is being
8 applied for and records maintained at other locations
9 that are owned and operated by the lender or the
10 lender's affiliates, and

11 b. any private database approved by the Administrator of
12 Consumer Credit, if the lender subscribes to such a
13 database; provided, all lenders shall be required to
14 subscribe to such a database or otherwise obtain the
15 required information in a manner approved by the
16 Administrator not later than July 1, 2004. The lender
17 may charge the applicant a fee for database
18 verification not to exceed the actual fee charged to
19 the lender by the database provider.

20 If the lender determines that the applicant has more than one
21 outstanding deferred deposit loan, the loan applied for shall not be
22 made.

23 C. A deferred deposit loan transaction is completed when the
24 deferred deposit loan transaction is paid in full after the lender

1 presents the instrument for payment or initiates an ACH debit to the
2 debtor's bank account to collect on the instrument, or the debtor
3 redeems the instrument by paying the full amount of the instrument
4 to the lender. Once the debtor has completed the deferred deposit
5 loan transaction, the lender may enter into a new deferred deposit
6 loan agreement with the debtor, and the new deferred deposit loan
7 transaction shall not be deemed to be a renewal of the previous
8 deferred deposit loan; provided, a new deferred deposit loan made
9 within thirteen (13) calendar days after a previous deferred deposit
10 loan has been entered into between the lender and the debtor shall
11 be considered a renewal and shall not be made.

12 D. If a debtor enters into a third consecutive loan, the lender
13 shall provide the consumer an option to repay such loan and each
14 consecutive loan pursuant to a written repayment plan subject to the
15 following terms:

16 1. The debtor shall request the repayment plan, either orally
17 or in writing, prior to the due date of the loan;

18 2. The debtor shall repay the loan in four equal installments
19 with one installment due on each of the next four dates on which the
20 customer receives regular wages or compensation from an employer,
21 pursuant to a written repayment plan agreement;

22 3. The consumer shall pay a processing fee of ten percent (10%)
23 of the principal amount of the loan per loan not to exceed Fifteen
24 Dollars (\$15.00) for administration of the payment plan;

1 4. The consumer shall agree not to enter into any additional
2 deferred presentment loans during the repayment plan term and for a
3 period of fifteen (15) days after termination of the repayment plan
4 term; and

5 5. Upon positive completion of the repayment plan, the lender
6 shall report the debtor's positive payment history to at least one
7 national consumer credit reporting agency.

8 E. A lender shall negotiate or present an instrument for
9 payment only if the instrument is endorsed with the actual business
10 name of the lender.

11 F. Prior to the lender negotiating or presenting the
12 instrument, the debtor shall have the right to redeem any instrument
13 held by a lender as a result of a deferred deposit loan if the
14 debtor pays to the lender the unpaid balance of the principal and
15 all accrued fees and charges.

16 SECTION 2. This act shall become effective November 1, 2014.

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18 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND FINANCIAL
19 SERVICES, dated 03/27/2014 - DO PASS.
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