

Amendments to Senate Bill No. 397
1st Reading Copy

Requested by Senator Kim Gillan

For the Senate Business, Labor, and Economic Affairs Committee

Prepared by Pat Murdo
February 17, 2009 (4:32pm)

1. Title, page 1, line 6 through line 7.

Strike: "FOR A" on line 6 through "LOAN" on line 7

2. Page 2, line 24 through page 3, line 27.

Strike: subsections (10) through (14) in their entirety**Insert:** "(10) (a) If a consumer is unable to repay a deferred deposit loan when due, the licensee shall make a repayment plan available to the consumer at no additional fee or other charge. Any authorized fee that is outstanding on the deferred deposit loan at the time the repayment plan is signed must be included in the amount subject to the repayment plan.

(b) To obtain a repayment plan option, a consumer shall, by the close of business on the last business day before the deferred deposit loan is due, return to the office where the deferred deposit loan was obtained and sign an amendment to the deferred deposit loan agreement providing for an installment payment schedule pursuant to this section.

(c) A consumer who has signed a repayment plan amendment must be allowed to pay the balance owing in four or more equal payments coinciding with the periodic payment dates but not exceeding a 120-day repayment term.

(11) (a) A licensee may not:

(i) undertake any collection activities while the consumer is in compliance with the terms of the signed repayment plan;

(ii) charge interest on the balance owing on the deferred deposit loan; or

(iii) accept postdated checks for payments under a repayment plan.

(b) If the consumer defaults on the repayment plan, a licensee may accelerate the payment schedule on the unpaid balance and exercise all remedies that would have been allowed if there had been no repayment plan.

(c) A licensee shall, after each payment, whether the payment is in part or in full, give the consumer a signed and dated receipt showing the amount paid and the balance due on the deferred deposit loan.

(12) A consumer who has signed a repayment plan:

(a) may prepay the entire outstanding balance or any portion of the outstanding balance at any time without penalty. A

prepayment of less than the entire balance must be credited at the end of the payment schedule and does not affect the other installment payment due dates; and

(b) may not pay less than the required amount of any installment on the dates set by the repayment plan."

Renumber: subsequent subsection

3. Page 3, line 28 through line 29.

Following: "time"

Strike: ", but" on line 28 through "section, the" on line 29

Insert: ". The"

4. Page 4, line 28.

Strike: "ONE OR MORE"

Insert: "A"

5. Page 4, line 29.

Strike: "LOANS"

Insert: "LOAN"

6. Page 5, line 9.

Strike: "GRACE"

- END -