

## HOUSE BILL NO. 622

INTRODUCED BY R. FARRIS-OLSEN, A. OLSEN

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING UNSOLICITED LOAN CHECKS; PROHIBITING COLLECTION ON UNSOLICITED LOANS; PROHIBITING REPORTING TO CREDIT AGENCIES REGARDING UNSOLICITED LOANS; AND ALLOWING FOR SUIT AND INJUNCTIONS."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Unsolicited loan checks or transfers.** (1) A person may not extend any consumer credit by:

(a) making an unsolicited transfer of funds to the consumer's credit or asset account; or

(b) through the consumer's use of an unsolicited check, other negotiable instrument, access device or other means of initiating an electronic fund transfer, or other similar instrument or device.

(2) A certificate, voucher, or other nonnegotiable instrument provided to a consumer in connection with a solicitation for an extension of credit that has the appearance of a check or other negotiable instrument is not an application or request for an extension of credit for purposes of this section.

(3) Any purported credit agreement entered into or debt purportedly incurred as a result of a violation of subsection (1) is void and the consumer or cardholder may not be liable for and a person may not attempt to collect:

(a) the principal amount sent or transferred to the consumer in violation of this section; or

(b) any interest, charge, fee, or penalty.

(4) Information relating the liability of a consumer alleged by a creditor to have been established in violation of subsection (1) may not be reported to or received by any consumer reporting agency or included in any consumer report.

(5) (a) A violation of this section is an unfair trade practice and is a violation of Title 30, chapter 14, part 1.

(b) A consumer subjected to an act prohibited by this section may seek an injunction to prohibit the commission of additional acts prohibited by this section.

