

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0234/P1dn
MDK:cjs:ph

January 18, 2010

Rep. Seidel:

Please note the following about this substitute amendment:

1. I drafted the substitute amendment to AB-447, but only because that bill contains some provisions that are similar to this substitute amendment. I could also prepare an identical substitute amendment to any other bill dealing with payday lending. Please let me know if you need a substitute amendment to a different bill.
2. The substitute amendment includes the provisions of 2009 AB 310 (motor vehicle title loans). However, I delayed the effective date by 6 months (rather than by 4 months as in 2009 AB 310) to make the delay consistent with the rest of the substitute amendment.
3. Because rollovers are prohibited, I deleted references to rollovers in the informational materials required under proposed s. 138.14 (4) (c) and the reports required under proposed s. 138.14 (5) (b).
4. Regarding the penalty in proposed s. 138.14 (11), you indicated that you want a violation to be a misdemeanor, but you did not indicate the maximum amount of jail time. Therefore, I chose a 6-month maximum, which is based on s. 138.09 (10), which is the penalty for violations of the licensed lender requirements. Is that okay?
5. Please let me know if you have additional concerns about installment loans. Chris McKinny alluded to the possibility of such concerns at our meeting on this substitute amendment.

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