

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 599,
2 Page 30, Section 385.015, Line 21, by inserting after all of said section and line the following:

3
4 "408.512. 1. Any traditional installment loan lender licensed under sections 367.100 to
5 367.200 or section 408.510 shall be permitted to make loans and charge fees and interest as
6 authorized under sections 408.100, 408.140, and 408.170.

7 2. No charter provision, ordinance, rule, order, permit, policy, guideline, or other
8 governmental action of any political subdivision of the state, local government, city, county, or any
9 agency, authority, board, commission, department, or officer thereof shall:

10 (1) Prevent, restrict, or discourage traditional installment loan lenders from lending under
11 sections 408.100, 408.140, and 408.170;

12 (2) Prevent, restrict, or discourage traditional installment loan lenders from operating in any
13 location where any lender who makes loans payable in equal installments over more than ninety
14 days is permitted; or

15 (3) Create any disincentives for any traditional installment loan lender from engaging in
16 lending under sections 408.100, 408.140, and 408.170. Any fee charged to any traditional
17 installment loan lender that is not charged to all lenders licensed or regulated by the division of
18 finance shall be a disincentive in violation of this section.

19
20 The provisions of this subsection shall not apply where a charter provision or valid ordinance as of
21 August 28, 2014, expressly applies to traditional installment loan lenders.

22 3. As used in this section, the following terms shall mean:

23 (1) "Fully amortized", the principal, defined as amount financed under the federal Truth in
24 Lending Act, and the scheduled interest, defined as finance charge under the federal Truth in
25 Lending Act, are repaid in substantially equal multiple installments at fixed intervals to fulfill the
26 consumer's obligation;

27 (2) "Traditional installment loan", fixed rate, fully amortized closed-end extensions of direct
28 consumer loans. However, if any of the following are true, the transaction is not a traditional
29 installment loan:

30 (a) The transaction has a repayment term of one hundred eighty-one days or fewer and is
31 secured by the title to the borrower's motor vehicle or auto;

32 (b) The transaction requires that the full amount of the credit extended together with all fees
33 and charges for the credit be repaid in ninety-one days or fewer;

34 (c) The transaction's scheduled repayment plan contains one or more interest-only payments
35 or a payment that is more than ten percent greater than the average of all other scheduled payment
36 amounts;

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1 (d) The transaction, at origination, requires the borrower:

2 a. To agree to a preauthorized automatic withdrawal in the form of a bank draft, a
3 preapproved automated clearing house or its equivalent;

4 b. To agree to an allotment or an agreement to defer presentment of one or more
5 contemporaneously-dated or postdated checks; or

6 c. To repay the loan in full at a borrower's next payday or other recurring deposit cycle,
7 where the repayment is connected with a bank account;

8 (3) "Traditional installment loan lender", a licensee under sections 367.100 to 367.200 or
9 section 408.510 whose direct consumer loans are limited only to traditional installment loans.

10 4. Nothing in this section shall apply to or preempt any ordinance governing installment
11 lenders, or any amendment to any such ordinance, in a home rule city with more than four hundred
12 thousand inhabitants and located in more than one county.

13 5. Traditional installment loan lenders may charge, in addition to any other contractual fees,
14 a convenience fee or surcharge for payments made by a debit or credit card in an amount not to
15 exceed any third-party charge.

16 6. Any traditional installment loan lender who prevails against a political subdivision in an
17 action to enforce this section or in defending an action using this section as a defense shall receive
18 from the political subdivision costs actually incurred including, but not limited to, attorney's fees.";
19 and

20 Further amend said bill by amending the title, enacting clause, and intersectional references
21 accordingly.
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