

RULE

Office of the Governor Office of Financial Institutions

Loan Brokers (LAC 10:XV.1501 - 1509)

Under the authority of the Administrative Procedure Act, R.S. 49:950, et seq., and R.S.6:121(B)(1) and 9:3554 (B), the commissioner of the Office of Financial Institutions has adopted LAC 10:XV.1501-1509, which clarifies the provisions of The Louisiana Loan Brokers Act, ("LLBA") R.S.9:3572.1, et seq., and particularly Section 3572.3 which requires that any person operating within the state of Louisiana who solicits a loan for a third party shall be required to obtain licensure under the LLBA.

Title 10

FINANCIAL INSTITUTIONS, CONSUMER CREDIT, INVESTMENT SECURITIES, AND UCC

Part XV. Other Regulated Entities

Chapter 15. Licensure

§1501. Definitions

Licensee-a person licensed by the commissioner under the provisions of the:

1. Louisiana Check Cashers Act-R.S. 6:1001 et seq.;
2. Louisiana Sale of Checks and Money Transmission Act-R.S. 6:1031 et seq.;
3. Louisiana Consumer Credit Law-R.S. 9:3510 et seq.;
4. Louisiana Credit Repair Services Organizations Act-R.S. 9:3573.1 et seq.;
5. Louisiana Collection Agency Regulation Act-R.S. 9:3576.1 et seq.;
6. Louisiana Deferred Presentment and Small Loan Act-R.S. 9:3578.1 et seq.; and
7. Louisiana Pawnshop Act-R.S. 37:1781 et seq.

Loan-a loan means an advance of funds to a Louisiana consumer for personal, family, or household purposes. A loan as defined herein shall not include a loan contracted for under the provisions of the Louisiana Residential Mortgage Lending Act or a mortgage loan which is preempted by federal law.

Loan Broker-a person who, for compensation or the expectation of compensation regardless of its source, obtains or offers to obtain a loan from a third party wherever domiciled, if the broker is operating in Louisiana.

AUTHORITY NOTE: Promulgated in accordance with R.S. 6:121(B)(1) and 9:3554(B).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 28:307 (February 2002).

§1503. Licensure of Loan Brokers

A. No person having an office in Louisiana shall broker a loan in Louisiana unless exempt by statute, without first being licensed and complying with the provisions of the Louisiana Loan Brokers Act.

B. Any licensee who performs loan brokerage activity or who enters into a loan brokerage agreement in Louisiana without first being licensed and complying with the provisions of the LLBA may be subject to having any other Louisiana license issued by the commissioner which they hold suspended or revoked by the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 6:

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 28:307 (February 2002).

§1505. Prohibition

A. A person licensed or exempt from licensure as a loan broker, is prohibited from brokering a loan to a Louisiana consumer which does not comply with the LCCL or LDPSLA.

AUTHORITY NOTE: Promulgated in accordance with R.S. 6:121(B)(1) and 9:3554(B).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 28:307 (February 2002).

§1507. Civil Money Penalties

A. Any person or licensee who is found to be in violation of this regulation may be subject to any and all of the administrative and enforcement proceedings provided by R.S. 9:3554.

AUTHORITY NOTE: Promulgated in accordance with R.S. 6:121(B)(1) and 9:3554(B).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 28:307 (February 2002).

§1509. Administrative Procedure

A. The Louisiana Administrative Procedure Act, R.S. 49:950 et seq., shall govern all proceedings instituted under the coverage of this rule.

AUTHORITY NOTE: Promulgated in accordance with R.S. 6:121(B)(1) and 9:3554(B).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 28:307 (February 2002).

If any provision or item of this regulation, or the application thereof, is held invalid, such invalidity shall not affect other provisions, items, or applications of the regulation which can be given effect without the invalid provisions, items, or application.

John D. Travis

Commissioner

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