

RULE

**Office of the Governor
Office of Financial Institutions**

Lender Education (LAC 10:XI.Chapter 11)

Under the authority of and in accordance with the Louisiana Administrative Procedure Act, R.S. 49:950 et seq., R.S. 9:3554(A)(5), R.S. 9:3554(B), and R.S. 9:3578.8(A) and (B), the commissioner of the Office of Financial Institutions has adopted the following Rule to provide for the education of lender personnel which engage in the business of making deferred presentment transactions or small loans.

Title 10

**FINANCIAL INSTITUTIONS, CONSUMER
CREDIT, INVESTMENT SECURITIES AND
UCC**

Part XI. Consumer Credit

Chapter 11. Lender Education

§1101. Application

A. This Chapter applies to all persons licensed by the commissioner pursuant to the Louisiana consumer credit law (LCCL) and the Louisiana Deferred Presentment and Small Loan Act (LDPSLA) who engage in the business of making small loans and deferred presentment transactions pursuant to the LDPSLA.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq., R.S. 9:3554(A)(5), R.S. 9:3554(B), and R.S. 9:3578.8(A) and (B).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 41:537 (March 2015).

§1103. Definitions

A. Unless the context otherwise requires, as determined by the commissioner in his discretion, all terms used in this Chapter 11 shall have the same meanings as in the Louisiana consumer credit law, (LCCL), R.S. 9:3510 et seq., as amended, and the Louisiana Deferred Presentment and Small Loan Act, (LDPSLA), R.S. 9:3578.1 et seq., as amended. In addition, unless the context otherwise requires, as determined by the commissioner in his discretion, the following definitions set forth in Subsection B below, apply in this Chapter 11.

B. Definitions

Chapter—this Chapter 11 of Part XI of Title 10 of the *Louisiana Administrative Code*.

Commissioner—the commissioner of the Office of Financial Institutions for the state of Louisiana.

Deferred Presentment Transaction—a transaction made pursuant to a written agreement whereby a licensee:

a. accepts a check from the issuer dated as of the date it was written;

b. agrees to hold the check for a period of time not to exceed 30 days prior to negotiation or presentment;

c. pays to the issuer of the check the amount of the check less the fee permitted in R.S. 9:3578.4(A). The amount paid to the issuer of the check may not exceed \$350.

LCCL—the Louisiana consumer credit law, R.S. 9:3510 et seq., as amended.

LDPSLA—the Louisiana Deferred Presentment and Small Loan Act, R.S. 9:3578.1 et seq., as amended.

Lender Personnel—a person(s), as defined in R.S. 9:3516(24.1), who is employed by, contracted with, or engaged in the performance of services, that involve the general public, including, but not limited to, those that offer, market, negotiate, and/or sell deferred presentment transactions or small loans by or for a person licensed by the commissioner pursuant to the LCCL and the LDPSLA.

Person(s)—all persons, as defined in R.S. 9:3516(24.1) of the LCCL, licensed by the commissioner pursuant to the LCCL and the LDPSLA who engage in the business of making small loans and deferred presentment transactions pursuant to the LDPSLA.

Small Loan—a consumer loan, as defined in R.S. 9:3516(14), of \$350 or less, made for a term of 60 days or less.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq., R.S. 9:3554(A)(5), R.S. 9:3554(B), and R.S. 9:3578.8(A) and (B).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 41:537 (March 2015).

§1105. Required Education

A. Each person shall provide education to all lender personnel annually no later than January 1 of each year and to all new lender personnel within the first month upon attainment of this status or designation and each calendar year thereafter no later than January 1. The education material to be utilized by the person shall be provided to persons by the commissioner electronically, through email transmissions, the website of the Office of Financial Institutions, or otherwise, as deemed appropriate by the commissioner. Such education shall consist of certain elements related to compliance with the LCCL, LDPSLA, and this Chapter, including but not limited to, those items enumerated in Subsection B below.

B. Elements:

1. all fees and charges allowed in connection with, and limitations pertaining to deferred presentment transactions and small loans, specifically the education shall include instruction regarding the

16.75 percent maximum fee limitation and \$45 cap, the documentation fee limitation, the default interest limitation for one year and beginning one year after contractual maturity, the delinquency fee limitation, and that no other fees or charges are allowable;

2. all rebates provided for in connection with deferred presentment transactions and small loans;

3. all prohibited acts specified in R.S. 9:3578.6 of the LDPSLA;

4. provisions of Acts 2014, No. 636 of the Louisiana Legislature, regarding deferred presentment transactions and small loans, and specifically those provisions regarding the repeal of the one-time delinquency charge authorized by R.S. 9:3527(A)(1), and the extended payment plan provision contained in R.S. 9:3578.4.1, and limitations in connection with the same; and

5. any other educational information provided to the person by the commissioner subsequently, electronically, through email transmissions, the website of the Office of Financial Institutions, or otherwise, and determined by the commissioner to be related to persons engaging in the business of making deferred presentment transactions and small loans.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq., R.S. 9:3554(A)(5), R.S. 9:3554(B), and R.S. 9:3578.8(A) and (B).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 41:537 (March 2015).

§1107. Administration

A. Each person subject to this chapter shall retain such minimum records to show full compliance of the requirements set forth hereunder, which minimum records are deemed necessary by the commissioner, and set forth by the commissioner electronically, through email transmissions, the website of the Office of Financial Institutions, or otherwise, as deemed appropriate by the commissioner. This Chapter does not replace the person's responsibilities to comply with any other applicable record retention requirements, or to create, implement, and maintain its own comprehensive record retention program, consistent with the person's strategic goals and objectives. Such records may be retained in various forms as approved by the commissioner, including but not limited to, hard copies, photocopies, computer printouts or microfilm, microfiche, imaging, or other types of electronic media storage that can be readily accessed and reproduced into hard copies.

B. The commissioner may enforce this chapter pursuant to authority and in the manner provided to him, by the laws under his jurisdiction, including but not limited to R.S. 6:121.1, R.S. 9:3554, R.S. 9:3555, R.S. 9:3556, R.S. 9:3556.1, R.S. 9:3556.2, R.S.

9:3556.3, and R.S. 9:3578.8, and including but not limited to, the issuance of orders assessing civil money penalties.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq., R.S. 9:3554(A)(5), R.S. 9:3554(B), and R.S. 9:3578.8(A) and (B).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 41:538 (March 2015).

§1109. Severability

A. If any Section, term, or provision of any of these rules, LAC 10:XI.1101-1109, is for any reason declared or adjudged to be invalid, such invalidity shall not affect, impair, or invalidate any of the remaining rules, or any term or provision thereof.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq., R.S. 9:3554(A)(5), R.S. 9:3554(B), and R.S. 9:3578.8(A) and (B).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 41:538 (March 2015).

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