

**STATE OF LOUISIANA  
OFFICE OF FINANCIAL INSTITUTIONS  
BATON ROUGE, LOUISIANA**

**November 7, 2001**  
(Amended--December 26, 2001)

**POLICY NO. LL-02-01**

**Guidelines for the sale and financing of club memberships**

**PURPOSE:**

To prevent abusive practices through the sale and financing of club memberships in conjunction with consumer loans subject to the Louisiana Consumer Credit Law.

**TO WHOM THIS POLICY APPLIES:**

All lenders who make consumer loans subject to the Louisiana Consumer Credit Law.

**SPECIFICS:**

Section 3515 (A)(1)(a) of the Louisiana Consumer Credit Law authorizes the sale and financing of thrift and buying club memberships, auto club memberships and similar consumer benefit club memberships. However, a lender shall not sell and finance any such club membership in connection with a consumer loan for a period of time the consumer has an unexpired membership in force. More than one membership to one consumer in force at any one time is considered abusive and is prohibited.

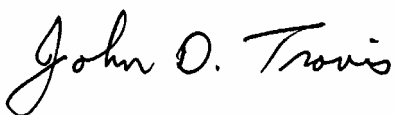
**Example:**

- Loan #1 originates on January 2, 2002, matures on January 2, 2003, and includes a one-year auto club membership.
- Loan #2 originates on May 1, 2002, matures on May 1, 2003, and also includes a one-year club membership.

In connection with Loan #2, the lender may sell and finance an auto club membership that begins January 3, 2003 and expires January 3, 2004.

**EFFECTIVE DATE:**

The effective date of this policy is January 1, 2002



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John D. Travis, Commissioner of Financial Institutions