

HOUSE BILL No. 2004

DIGEST OF INTRODUCED BILL

Citations Affected: IC 24-4.5-3-606.

Synopsis: Consumer loan solicitations. Prohibits the solicitation for an extension of credit for a consumer loan subject to the uniform consumer credit code by an unsolicited check or other unsolicited negotiable instrument. Provides that a consumer is not liable for an unsolicited check or other unsolicited negotiable instrument. Exempts solicitations made on or before June 30, 1999, and loans in existence on June 30, 1999.

Effective: July 1, 1999.

Turner

January 27, 1999, read first time and referred to Committee on Financial Institutions.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

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HOUSE BILL No. 2004



A BILL FOR AN ACT to amend the Indiana Code concerning trade regulations; consumer sales and credit.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 24-4.5-3-606 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 1999]: **Sec. 606. (a) A solicitation for an**
4 **extension of credit for a consumer loan subject to this chapter may**
5 **not be extended through the use of an unsolicited check or other**
6 **unsolicited negotiable instrument sent by a lender to a consumer.**
7 **(b) This section does not prohibit a transaction in which a**
8 **consumer has submitted an application or requested an extension**
9 **of credit before receiving the check or instrument.**
10 **(c) If a lender includes an unsolicited check or other negotiable**
11 **instrument in a solicitation to a consumer for an extension of credit**
12 **that the consumer has not applied for or requested, the:**
13 **(1) lender violates this section; and**
14 **(2) consumer is not liable for the amount of a check or other**
15 **instrument.**
16 SECTION 2. [EFFECTIVE JULY 1, 1999] **IC 24-4.5-3-606, as**
17 **added by this act, does not apply to a:**



- 1 (1) solicitation for a consumer loan made on or before; or
- 2 (2) consumer loan in existence on;
- 3 **June 30, 1999.**

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