



February 11, 2011

HOUSE BILL No. 1410

DIGEST OF HB 1410 (Updated February 9, 2011 4:21 pm - DI 101)

Citations Affected: IC 24-4.5.

Synopsis: Information about credit counseling services. Provides that after December 31, 2011, a payday lender doing business in Indiana shall: (1) conspicuously display at its Indiana business locations and include on each informational pamphlet required to be provided to borrowers under current law, a toll free telephone number that borrowers may call to receive information about credit counseling services; and (2) maintain a toll free number that borrowers may call to receive such information. Defines "credit counseling service" as a nonprofit budget and credit counseling agency approved by the United States Trustee or a bankruptcy administrator. Requires a lender to provide through the required toll free telephone number the name, street address, telephone number, and Internet web site address for at least three approved credit counseling services. After December 31, 2011, requires a lender to include on: (1) each required display in the lending area of the lender's Indiana business locations; and (2) each required pamphlet provided to a borrower; an Internet web site address that borrowers may access to receive information about credit counseling services. Provides that the web site address may be for: (1) a web page maintained by the lender to allow borrowers to access information for at least three approved credit counseling services; or (2) the United States Trustee's web page through which the borrower may directly access information on credit counseling services in Indiana. Requires a lender to update, not later than December 31 of

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Effective: Upon passage.

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January 18, 2011, read first time and referred to Committee on Financial Institutions.
February 10, 2011, amended, reported — Do Pass.

HB 1410—LS 7478/DI 101+



Digest Continued

each year, the information provided through: (1) the lender's toll free telephone number; and (2) any web page maintained by lender; to ensure that the information is consistent with that available from the United States Trustee or a bankruptcy administrator. Provides that the toll free telephone number required to be maintained: (1) may connect a borrower to an automated system, such as an interactive voice response system; and (2) may be a telephone number designed to receive customer service calls generally, if the option to receive the required information is in the first menu of options given to the borrower.

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February 11, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1410

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

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

1 SECTION 1. IC 24-4.5-7-301, AS AMENDED BY P.L.35-2010,
2 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 301. (1) For purposes of this section, the
4 lender shall disclose to the borrower to whom credit is extended with
5 respect to a small loan the information required by the Federal
6 Consumer Credit Protection Act.

7 (2) In addition to the requirements of subsection (1), the lender must
8 conspicuously display in bold type a notice to the public both in the
9 lending area of each business location and in the loan documents the
10 following statement:

11 "WARNING: A small loan is not intended to meet long term
12 financial needs. A small loan should be used only to meet short
13 term cash needs. The cost of your small loan may be higher than
14 loans offered by other lending institutions. Small loans are
15 regulated by the State of Indiana Department of Financial

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Institutions.
A borrower may rescind a small loan without cost by paying the cash amount of the principal of the small loan to the lender not later than the end of the business day immediately following the day on which the small loan was made."

- (3) The statement required in subsection (2) must be in:
 - (a) 14 point bold face type in the loan documents; and
 - (b) not less than one (1) inch bold print in the lending area of the business location.

- (4) After December 31, 2011, a lender shall do the following:**
 - (a) Subject to subsection (5), conspicuously:**
 - (i) display, using the print size and type specified in subsection (3)(b), in the lending area of each business location of the lender; and**
 - (ii) include in each pamphlet provided to a borrower under subsection (6) after December 31, 2011; a toll free telephone number that the borrower may call to receive information about accessing credit counseling services.**
 - (b) Maintain the toll free telephone number described in subdivision (a) in the manner prescribed by subsection (5).**

- (5) The following apply with respect to the requirements set forth in subsection (4):**

- (a) For purposes of subsection (4), "credit counseling service" means a nonprofit budget and credit counseling agency approved by the United States Trustee or a bankruptcy administrator under 11 U.S.C. 111(a)(1) to provide credit counseling services in Indiana.**
- (b) The toll free telephone number described in subsection (4) and the Internet web site address described in subdivision (c) shall be printed immediately below the statement required by subsection (2) on each display in the lending area of the lender's business locations.**
- (c) In addition to the information required by subsection (4)(a), the lender shall print on each display described in subdivision (b), or on the pamphlet described in subsection (6), an Internet web site address that the borrower may access to receive information about accessing credit counseling services. An Internet web site address provided under this subdivision may be for either of the following:**
 - (i) An Internet web site that is maintained by the lender and through which the borrower may access the**

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information required by subdivision (d) for at least three (3) credit counseling services, as described in subdivision (d). The Internet web site address provided by the lender must be for a direct link to the specific Internet web page where the lender maintains the information described in this clause.

(ii) The United States Trustee's Internet web page through which the borrower may directly access the information described in subdivision (d) for credit counseling services in Indiana.

(d) The lender shall provide:

(i) through the toll free telephone number required to be maintained under subsection (4)(b) and through any Internet web site that the lender chooses to maintain under subdivision (c)(i); and

(ii) to the extent available from the United States Trustee or a bankruptcy administrator;

the name, street address, telephone number, and Internet web site address for at least three (3) credit counseling services. For purposes of clause (ii), the information required to be provided by this subdivision is available from the United States Trustee or a bankruptcy administrator if it is available through the Internet web page described in subdivision (c)(ii). If one (1) or more items of information required by this subdivision are not available through the Internet web page described in subdivision (c)(ii) with respect to a particular credit counseling service, a lender complies with this subdivision if the lender provides each item of information required by this subdivision that is available through the Internet web page described in subdivision (c)(ii) with respect to the particular credit counseling service.

(e) Not later than December 31 of each year, the lender shall update the information provided under subdivision (d) through the lender's toll free telephone number to ensure that the information provided is consistent with that available from the United States Trustee or a bankruptcy administrator. The lender shall also, by the date required by this subdivision, ensure that the Internet web site address provided by the lender under subdivision (c) is accurate. If the lender chooses to maintain an Internet web site described in subdivision (c)(i), the lender shall also, by the date required by this subdivision, update the information available on the

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specific Internet web page where the lender maintains the information described in subdivision (d), to ensure that the information provided is consistent with that available from the United States Trustee or a bankruptcy administrator.

(f) The toll free telephone number required to be maintained under subsection (4)(b):

(i) may connect a borrower to an automated system, such as an interactive voice response system, through which the borrower may obtain the information required by subdivision (d) by inputting information using a touch tone telephone or similar device; and

(ii) may be a toll free telephone number designed to receive customer service calls generally, as long as the option to receive the information required by subdivision (d) is listed as one (1) of the options in the first menu of options given to the borrower.

~~(4)~~ (6) When a borrower enters into a small loan, the lender shall provide the borrower with a pamphlet approved by the department that describes the following:

(a) The availability of ~~debt management and~~ credit counseling services. ~~and~~ After December 31, 2011, the information included in the pamphlet under this subdivision must include:

(i) the toll free telephone number described in subsection (4)(a); and

(ii) an Internet web site address described in subsection (5)(c).

(b) The borrower's rights and responsibilities in the transaction.

SECTION 2. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1410, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 15 through 17, begin a new line double block indented and insert:

"(ii) include in each pamphlet provided to a borrower under subsection (6) after December 31, 2011;".

Page 2, delete lines 25 through 42, begin a new line block indented and insert:

"(a) For purposes of subsection (4), "credit counseling service" means a nonprofit budget and credit counseling agency approved by the United States Trustee or a bankruptcy administrator under 11 U.S.C. 111(a)(1) to provide credit counseling services in Indiana.

(b) The toll free telephone number described in subsection (4) and the Internet web site address described in subdivision (c) shall be printed immediately below the statement required by subsection (2) on each display in the lending area of the lender's business locations."

Page 3, delete line 1.

Page 3, line 3, delete "may print on any" and insert **"shall print on each"**.

Page 3, line 4, delete "(b)(i) or on any loan document described in" and insert **"(b), or on the pamphlet described in subsection (6),"**.

Page 3, line 5, delete "subdivision (b)(ii),".

Page 3, line 20, delete "(d)(i)" and insert **"(d)"**.

Page 3, delete lines 22 through 42, begin a new line block indented and insert:

"(d) The lender shall provide:

(i) through the toll free telephone number required to be maintained under subsection (4)(b) and through any Internet web site that the lender chooses to maintain under subdivision (c)(i); and

(ii) to the extent available from the United States Trustee or a bankruptcy administrator;

the name, street address, telephone number, and Internet web site address for at least three (3) credit counseling services. For purposes of clause (ii), the information required to be provided by this subdivision is available from the United States Trustee or a bankruptcy administrator if it is available

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through the Internet web page described in subdivision (c)(ii). If one (1) or more items of information required by this subdivision are not available through the Internet web page described in subdivision (c)(ii) with respect to a particular credit counseling service, a lender complies with this subdivision if the lender provides each item of information required by this subdivision that is available through the Internet web page described in subdivision (c)(ii) with respect to the particular credit counseling service."

Page 4, delete lines 1 through 38, begin a new line block indented and insert:

"(e) Not later than December 31 of each year, the lender shall update the information provided under subdivision (d) through the lender's toll free telephone number to ensure that the information provided is consistent with that available from the United States Trustee or a bankruptcy administrator. The lender shall also, by the date required by this subdivision, ensure that the Internet web site address provided by the lender under subdivision (c) is accurate. If the lender chooses to maintain an Internet web site described in subdivision (c)(i), the lender shall also, by the date required by this subdivision, update the information available on the specific Internet web page where the lender maintains the information described in subdivision (d), to ensure that the information provided is consistent with that available from the United States Trustee or a bankruptcy administrator."

Page 5, delete lines 9 through 42, begin a new paragraph and insert:

"(4) (6) When a borrower enters into a small loan, the lender shall provide the borrower with a pamphlet approved by the department that describes the following:

- (a) The availability of ~~debt management and~~ credit counseling services. ~~and~~ After December 31, 2011, the information included in the pamphlet under this subdivision must include:
 - (i) the toll free telephone number described in subsection (4)(a); and
 - (ii) an Internet web site address described in subsection (5)(c).

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(b) The borrower's rights and responsibilities in the transaction."
Page 6, delete lines 1 through 8.

and when so amended that said bill do pass.

(Reference is to HB 1410 as introduced.)

BURTON, Chair

Committee Vote: yeas 10, nays 0.

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