



AMERICAN

AAFS

ASSOCIATION OF FINANCIAL PLANNERS



State Government Affairs Committee Spring 2024 Meeting May 21, 2024

Sponsored By:



**NATIONAL
BANKRUPTCY
SERVICES**



**2024
INDEPENDENTS FINANCE
CONFERENCE & EXPO**

**May 20-23, 2024
Marriott Harbor
Beach Resort**



WELCOME!

Meeting WiFi: 
Marriott_CONFERENCE

Password: credex



2024 INDEPENDENTS CONFERENCE & EXPOSITION

MEETINGS MATERIALS

Virtual Meeting Book:

www.afsaonline.org/sgaspring2024

Password: spring24

Meeting WiFi: 

Marriott_CONFERENCE

Password: **credex**

2024 INDEPENDENTS CONFERENCE & EXPOSITION

COMMITTEE MEETING



State Government Affairs Committee

Spring 2024 Meeting Agenda

in conjunction with AFSA Independents Conference

May 21 • Marriott Harbor Beach • Fort Lauderdale, FL

SCHEDULED TIME/ROOM	CONTENT
Tuesday, May 21 8:00 a.m. – 10:00 a.m. <i>Ocean 3/4</i>	Call to Order
	Introductions, Antitrust Statement & Approval of Last Meeting Minutes
	DIDMCA
	All-In Rate Caps
	Other Traditional Installment Lending Restrictions
	Activist Watch
	Collections
	Retail Bad Debt
	Issues Roundtable
10:00 a.m.	MEETING ADJOURNS

VERNMENT AFFAIRS



TO OUR SPONSOR!





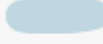
**NATIONAL
BANKRUPTCY
SERVICES**

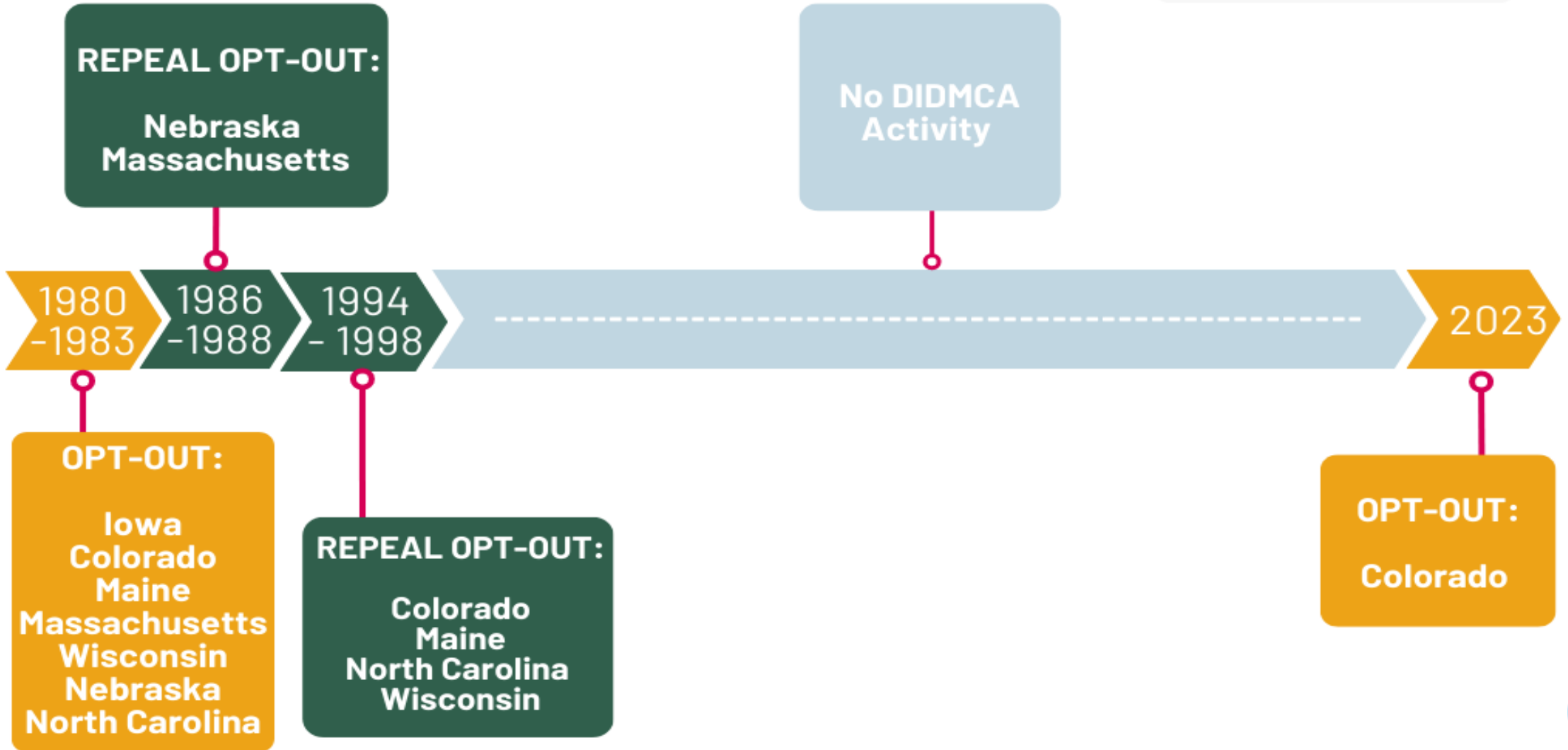
DIDMCA



STATE	OPT-OUT	OPT BACK IN/ REPEAL OPT-OUT
Iowa	1980	X
Colorado	1981, 2023	1994
Maine	1981	1995
Massachusetts	1981	1986
Wisconsin	1981	1998
Nebraska	1982	1988
North Carolina	1983	1995

DIDMCA TIMELINE

Opt-Out: 
Repeal Opt-Out: 
No Activity: 



CHAPTER 73

CONSUMER CREDIT CODE

FEDERAL PREEMPTION OF USURY LAWS — STATE OVERRIDE

HOUSE BILL NO. 1178, BY REPRESENTATIVES Strable, Kopel, DeFilippo, and Mielke;
also SENATORS Cole and Groff.

AN ACT

CONCERNING STATE OVERRIDE OF FEDERAL PREEMPTION OF STATE USURY LAWS.

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

Section 1. Title 5, Colorado Revised Statutes 1973, as amended, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 13

Federal Preemption of Usury Laws - State Override

5-13-101. Mortgages. In accordance with section 501 (b) (2) of Public Law 96-221, it is declared that the state of Colorado does not want the provisions of subsection 501 (a) (1) of Public Law 96-221 removing the limits on the rate or amount of interest, discount points, finance charges, or other charges which may be charged, taken, received, or reserved with respect to loans, mortgages, credit sales, and advances made to apply in this state. The rates established in articles 1 to 9 of this title shall control consumer credit transactions in the state of Colorado.

5-13-102. Business and agricultural loans. In accordance with section 512 of Public Law 96-221, it is declared that the state of Colorado does not want the provisions of section 511 of Public Law 96-221 setting interest rates and preempting state interest rates on business and agricultural loans to apply in this state. The rates established in articles 1 to 9 of this title shall control consumer credit transactions in the state of Colorado.

5-13-103. Small business loans. In accordance with section 524 of Public Law 96-221, it is declared that the state of Colorado does not want the amendments to the "Small Business Investment Act" made by section 524 of Public Law 96-221 prescribing interest rates for small business loans to apply in this

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

State Bank Parity DIDMCA Opt-Out

CHAPTER 272

CONSUMER AND COMMERCIAL TRANSACTIONS

SENATE BILL 94-176

BY SENATOR Ament;
also REPRESENTATIVES Dyer, Chalouber, Jerke, Martin, May, Moellenberg, and Pfiffner.

AN ACT

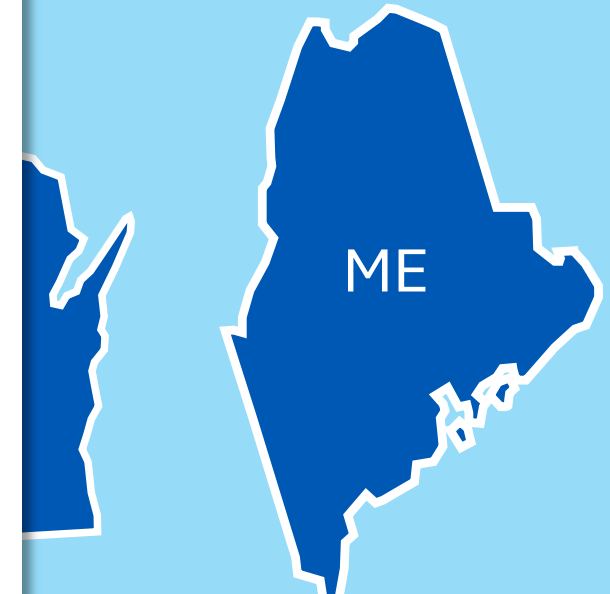
CONCERNING REGULATION OF PERSONS ISSUING CONSUMER CREDIT.

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

SECTION 1. 5-2-202 (1), Colorado Revised Statutes, 1992 Repl. Vol., is amended, and the said 5-2-202 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

5-2-202. Additional charges. (1) In addition to the credit service charge permitted by this part 2, a seller may contract for and receive the following additional charges in connection with a consumer credit sale:

- (a) Official fees and taxes;
- (b) Charges for insurance as described in subsection (2) of this section; and
- (c) Charges for other benefits, including insurance, conferred on the buyer, if the benefits are of value to him THE BUYER and if the charges are reasonable in relation to the benefits, are of a type which is not for credit, and are excluded as permissible additional charges from the credit service charge by rule adopted by the administrator;



Testimony of the American Financial Services Association in opposition to SF3932

Before the Commerce and Consumer Services Committee
Minnesota Senate

Testimony by Danielle Fagre Arlowe, Senior Vice President
American Financial Services Association

February 29, 2024

Mr. Chairman and members of the Subcommittee, I am Danielle Fagre Arlowe, Senior Vice President of the American Financial Services Association. Thank you for the opportunity to testify today in opposition to SF3932.

Our association is more than 100 years old. We represent the consumer credit industry, including the vehicle finance industry, mortgages, direct small dollar and larger dollar lenders or title lenders. We do not represent payday lenders or title lenders.

We have grave concerns about this bill are about our members' business models. We have grave concerns about this bill are about our members' business models. We have grave concerns about this bill are about our members' business models.

AFSA's concerns about this bill are about our members' business models. AFSA's concerns about this bill are about our members' business models. AFSA's concerns about this bill are about our members' business models.

Testimony of the American Financial Services Association in opposition to S 2275

Before the Senate Commerce Committee
State of Rhode Island General Assembly

Testimony of Danielle Fagre Arlowe, Senior Vice President
American Financial Services Association

March 12, 2024

Madame Chair and members of the Committee, I am Danielle Fagre Arlowe, Senior Vice President of the American Financial Services Association (AFSA). Thank you for the opportunity to testify today in opposition to S 2275.

Our association is more than 100 years old. We represent the consumer credit industry, including the vehicle finance industry, mortgages, direct small dollar and larger dollar lenders or title lenders. We do not represent payday lenders or title lenders.

We have grave concerns about this bill are about our members' business models. We have grave concerns about this bill are about our members' business models. We have grave concerns about this bill are about our members' business models.

AFSA's concerns about this bill are about our members' business models. AFSA's concerns about this bill are about our members' business models. AFSA's concerns about this bill are about our members' business models.

A state charter offers a bank certainty, predictability, consistency, and funding. A state charter offers a bank certainty, predictability, consistency, and funding. A state charter offers a bank certainty, predictability, consistency, and funding.

Testimony of the American Financial Services Association in opposition to B25-0609

Before the Committee on Business and Economic Development
Council of the District of Columbia

Testimony of Danielle Fagre Arlowe, Senior Vice President
American Financial Services Association

March 12, 2024

Mister Chair and members of the Committee, I am Danielle Fagre Arlowe, Senior Vice President of the American Financial Services Association (AFSA). Thank you for the opportunity to submit testimony today in opposition to B25-0609.

Our association is more than 100 years old. We represent the consumer credit industry, including the vehicle finance industry, mortgages, direct small dollar and larger dollar lenders or title lenders. We do not represent payday lenders or title lenders.

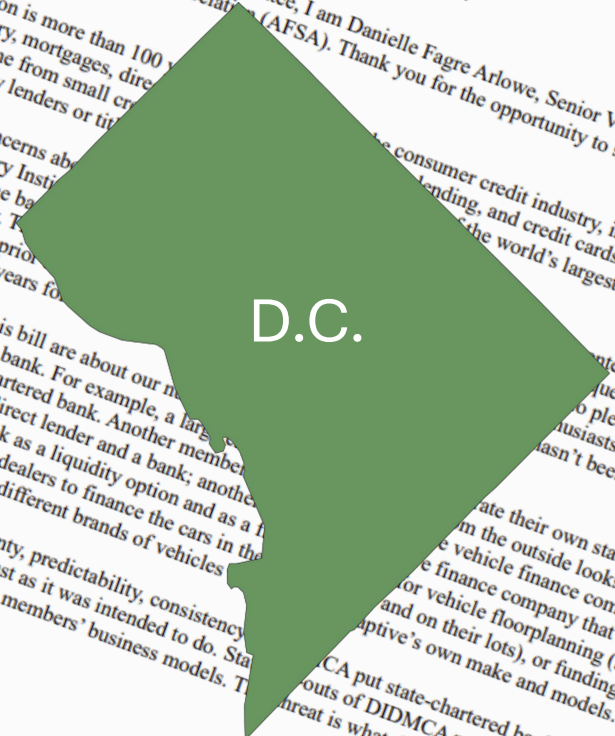
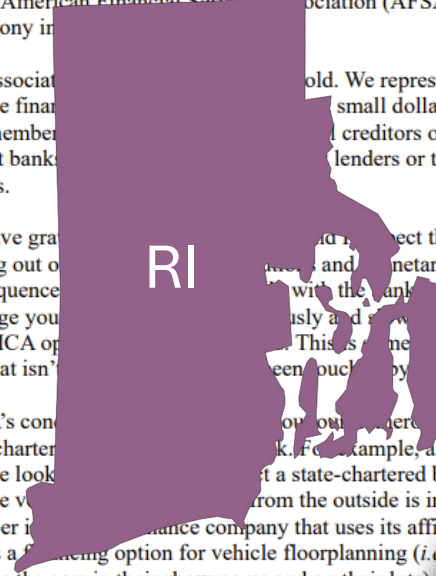
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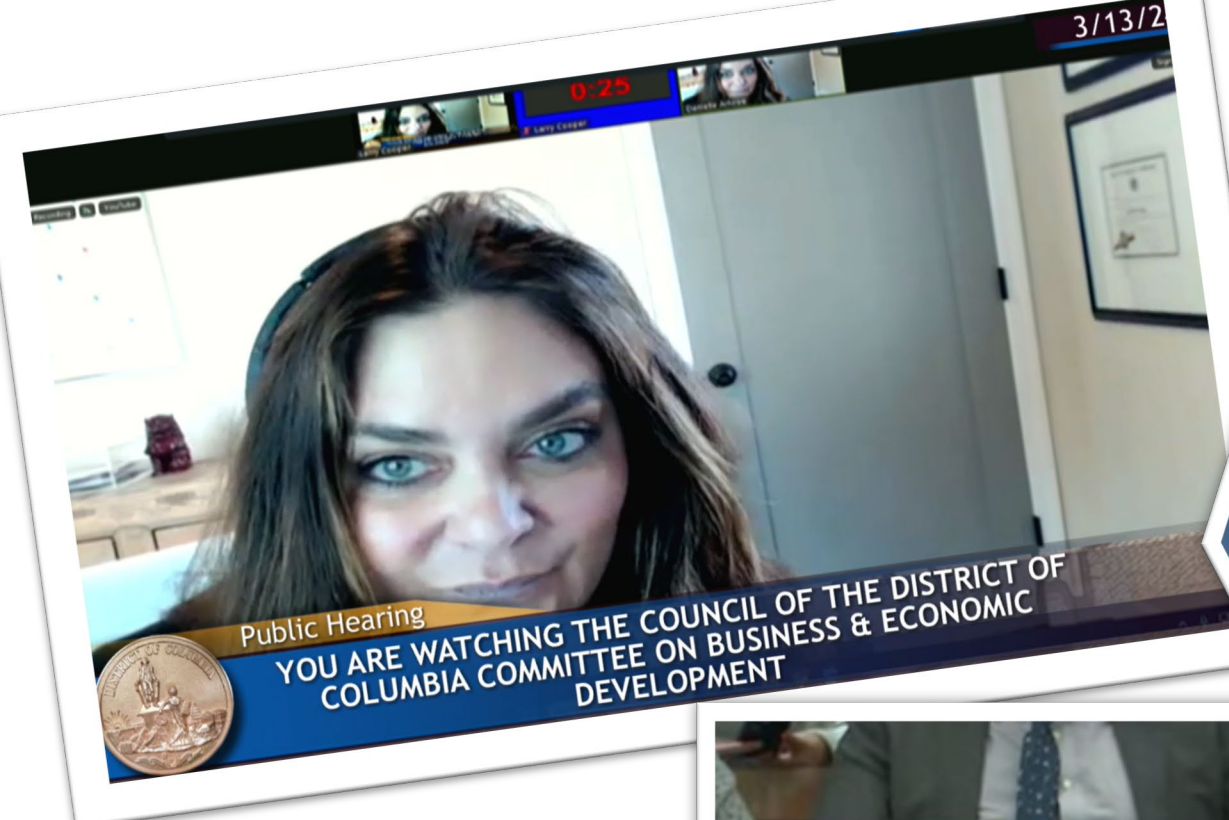
AFSA's concerns about this bill are about our members' business models. AFSA's concerns about this bill are about our members' business models. AFSA's concerns about this bill are about our members' business models.

A state charter offers a bank certainty, predictability, consistency, and funding. A state charter offers a bank certainty, predictability, consistency, and funding. A state charter offers a bank certainty, predictability, consistency, and funding.

WHAT IS DIDMCA?

The Depository Institutions and Monetary Control Act of 1980 was enacted by Congress and signed by President Jimmy Carter. The Court's *Marquette* decision holding the National Bank Act preempts state laws that discriminate against out-of-state banks. DIDMCA established parity for state banks after the *Marquette* decision.





Public Hearing
YOU ARE WATCHING THE COUNCIL OF THE DISTRICT OF COLUMBIA COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT



Danielle Arlowe
American Financial Services Association
Monday, February 26, 2024

TESTIMONY

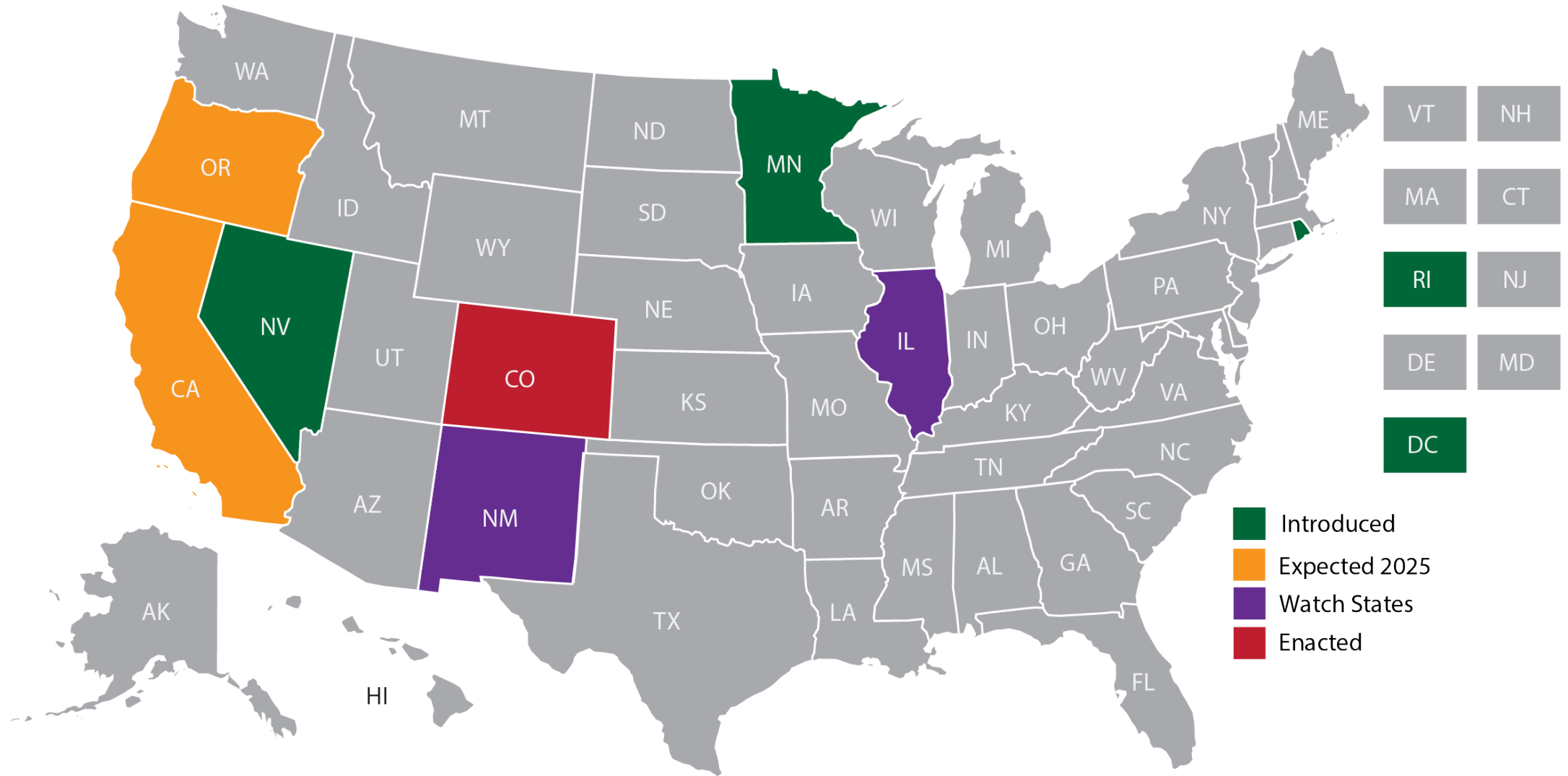


SF 3932
Rejecting certain federal amendments relating to applicable interest rates
SENATE
MN SENATE
SUBSCRIBE

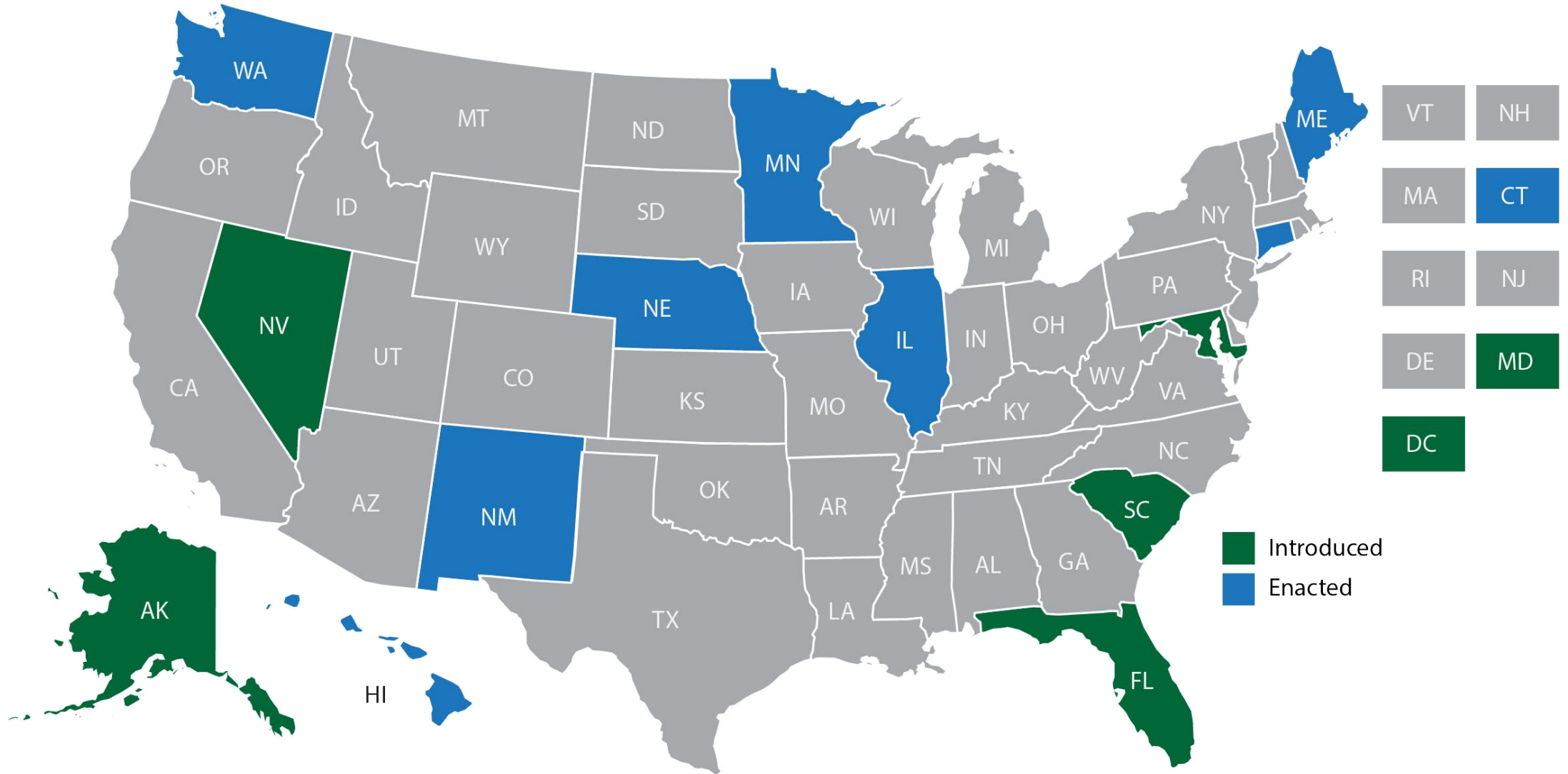
2024 INDEPENDENTS CONFERENCE

AFSA
AMERICAN FINANCIAL SERVICES ASSOCIATION

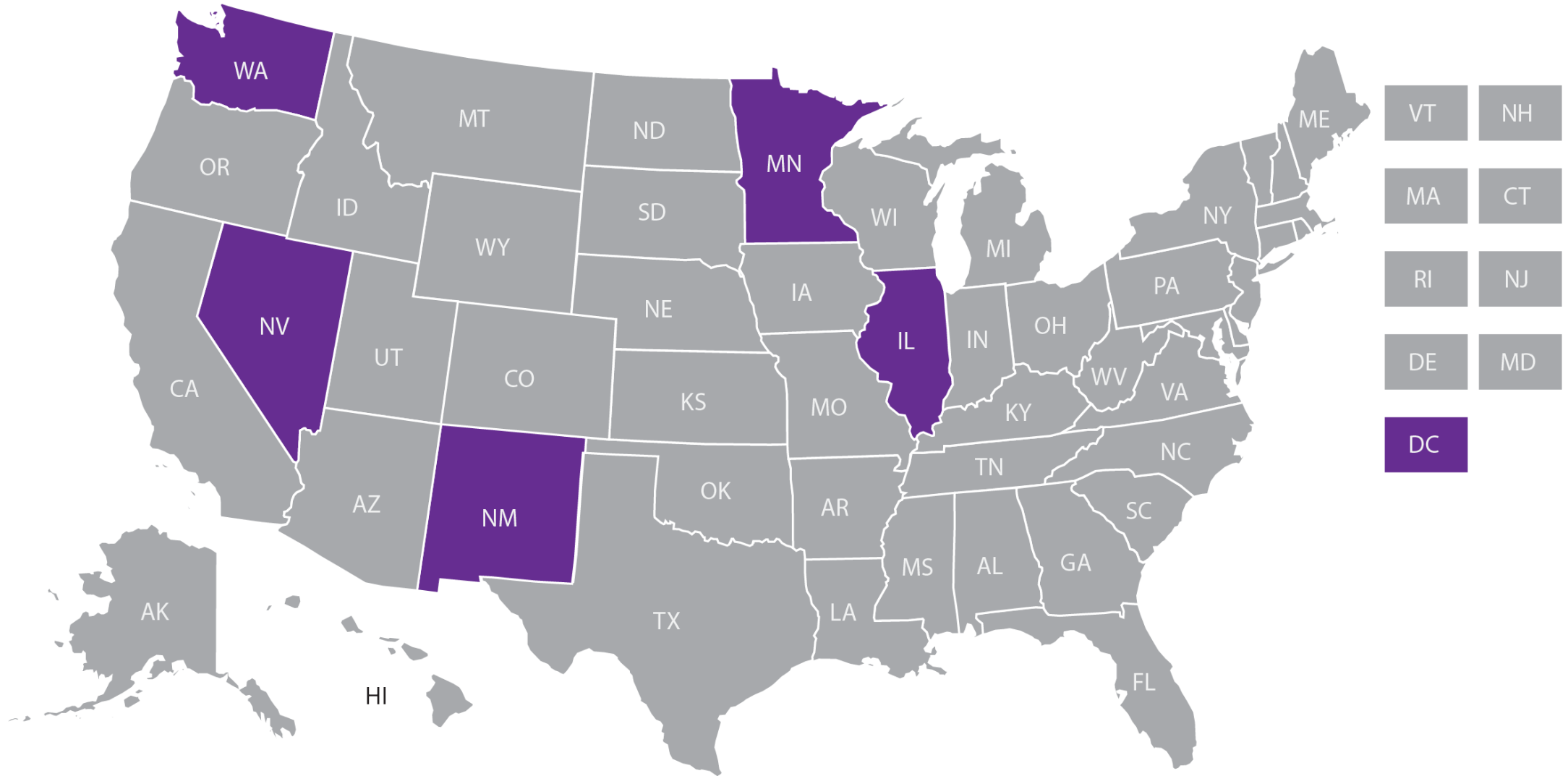
DIDMCA EXPECTATION STATES



TRUE LENDER



DIDMCA AND TRUE LENDER



HOUSE BILL 1874

State of Washington 68th Legislature 2024 Regular Session

By Representatives Walen, Robertson, Ryu, Morgan, Leavitt, Ortiz-Self, Ramel, Duerr, Ramos, Slatter, Reed, Ormsby, Timmons, Callan, Peterson, Street, Sandlin, Paul, Doglio, Thai, Wylie, Reeves, and Hackney

Prefiled 12/05/23. Read first time 01/08/24. Referred to Committee on Consumer Protection & Business.



1 AN ACT Relating to protecting consumers from predatory loans;
2 amending RCW 31.04.015, 31.04.025, 31.04.027, and 31.04.035; and
3 creating a new section.

19 (3) If a loan exceeds the rate permitted under this chapter, a
20 person is a lender making a loan subject to the requirements of this
21 chapter notwithstanding the fact that the person purports to act as
22 an agent, service provider, or in another capacity for another person
23 that is exempt from this act, if, among other things:
24 (a) The person holds, acquires, or maintains, directly or
25 indirectly, the predominant economic interest in the loan; or
26 (b) The totality of the circumstances indicate that the person is
27 the lender, and the transaction is structured to evade the
28 requirements of this chapter.

18 (2) "Affiliate" means any person who, directly or indirectly
19 through one or more intermediaries, controls, or is controlled by, or
20 is under common control with another person.

WASHINGTON
TRUE LENDER
BILL: HB 1874



AMERICAN

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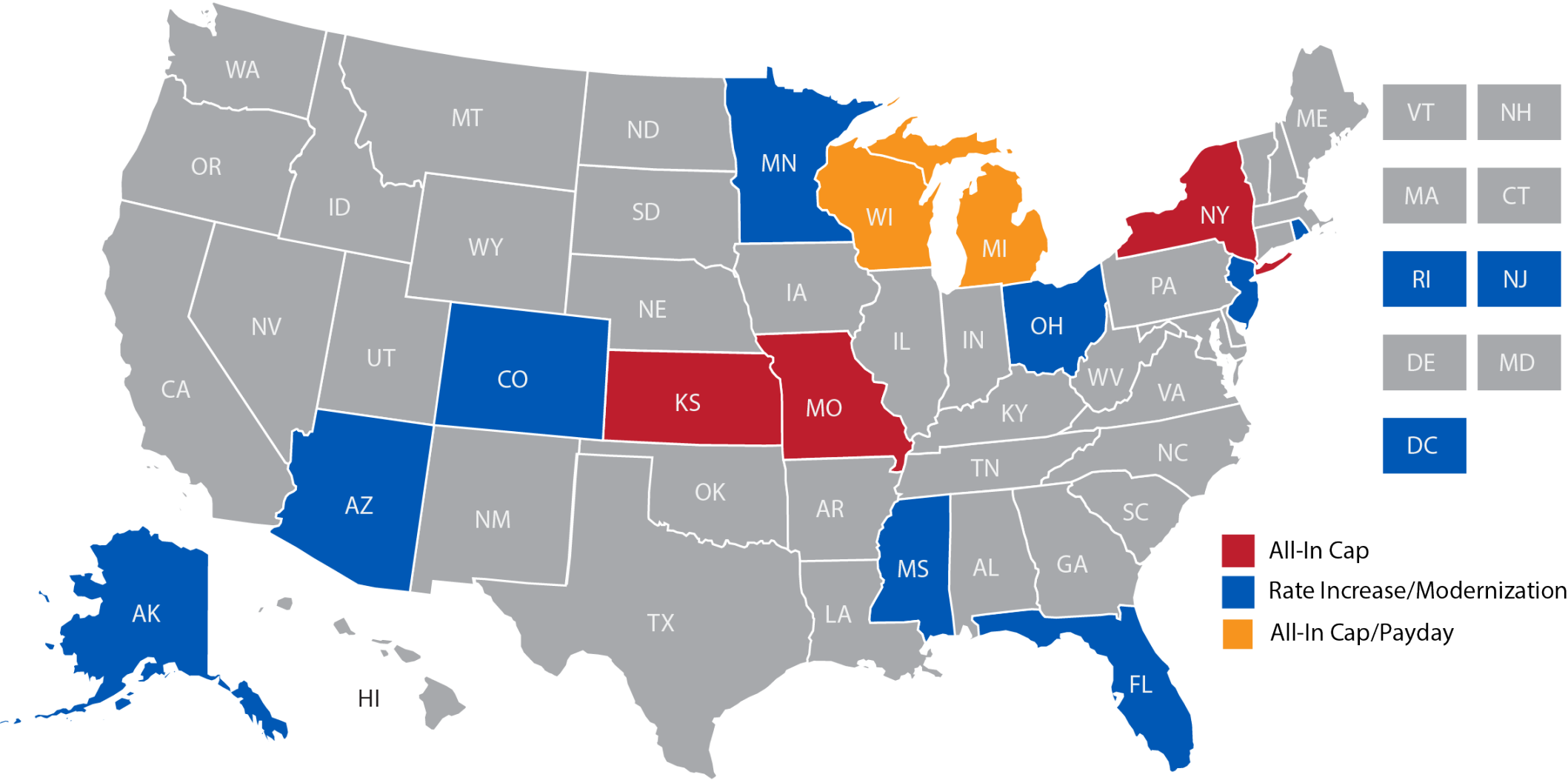
ASSOCIATION

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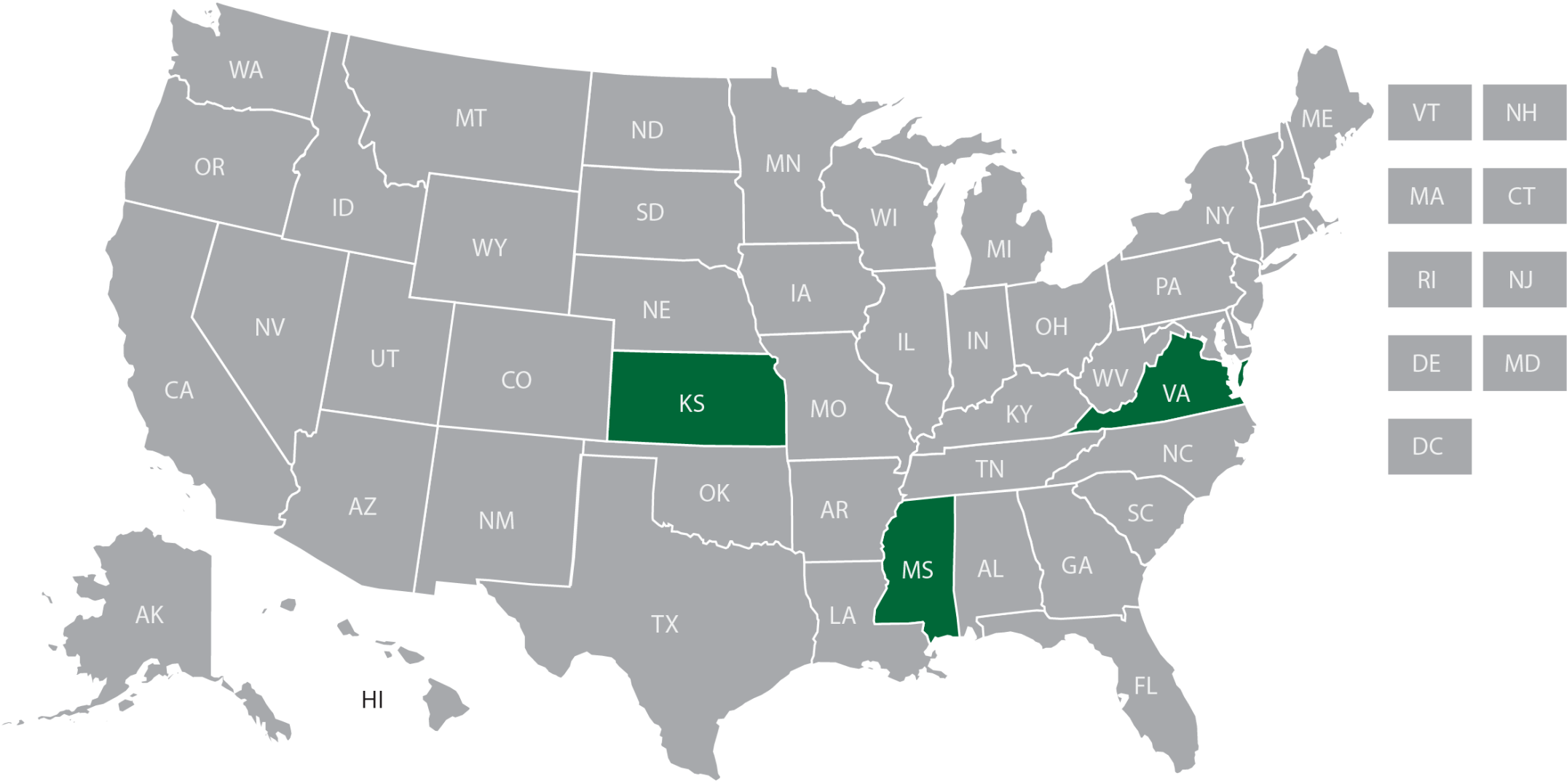
RATE CAPS



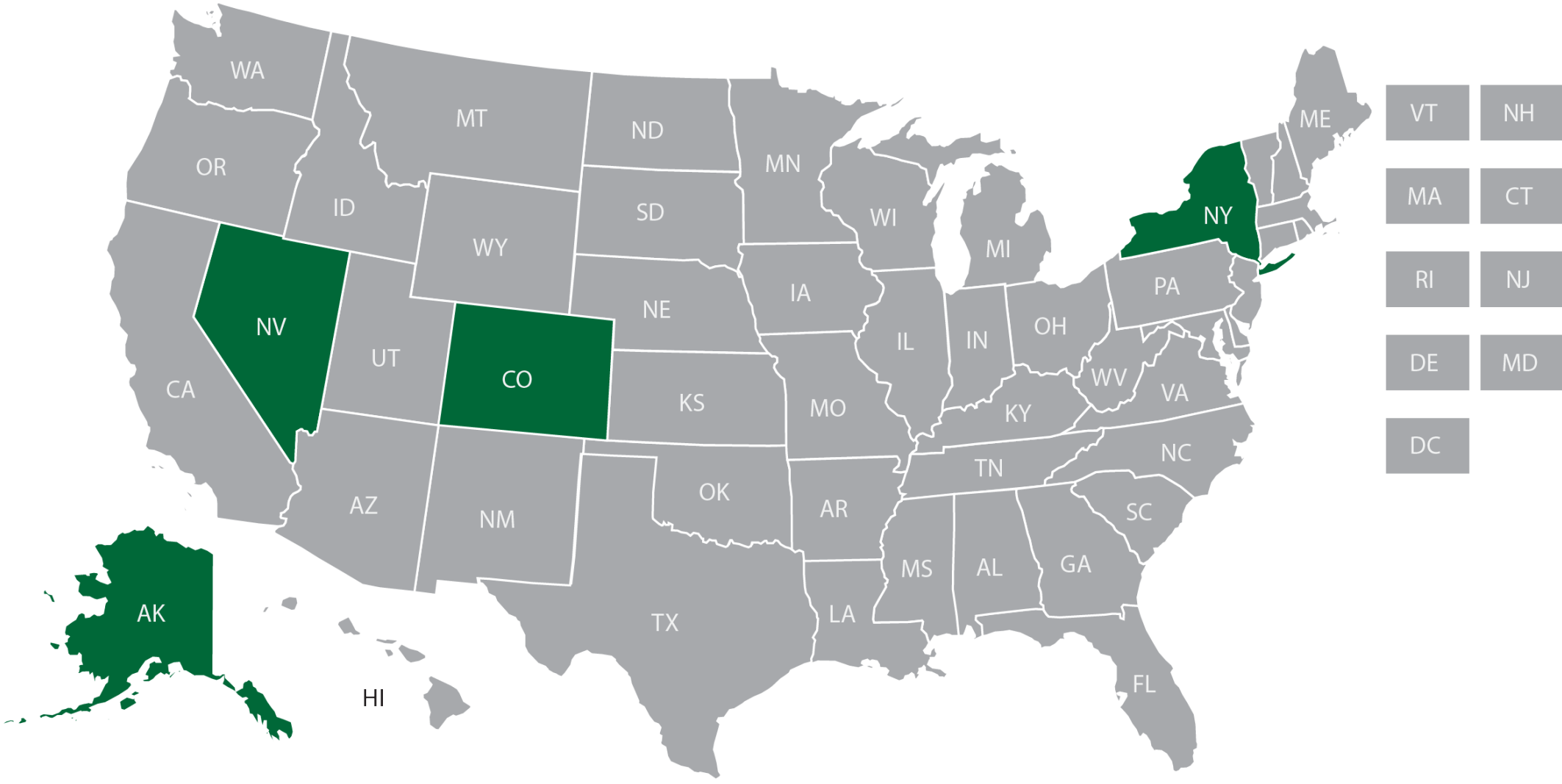
2024 RATE CAP LEGISLATION



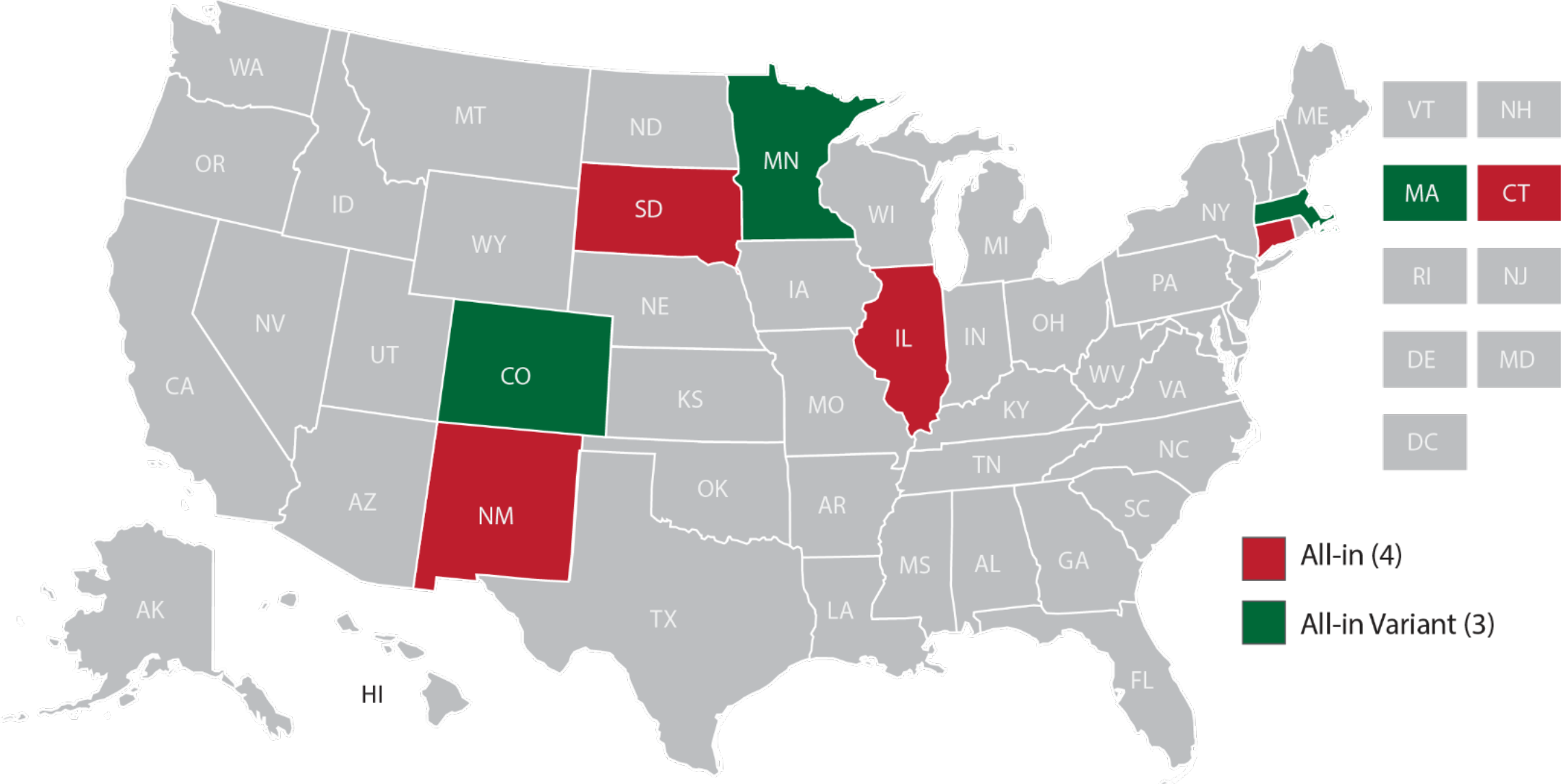
2024 RATE CAP ENACTED



2024 ALL-IN RATE CAP PROPOSALS



ALL-IN RATE CAP LAWS



The Honorable Lyman Hoffman
The Honorable Donald Olson
The Honorable Bert Stedman
The Honorable Click Bishop
The Honorable Kelly Merrick
The Honorable Jesse Kiehl
The Honorable David Wilson
Alaska Senate
Alaska State Capitol
120 4th Street Rm 3
Juneau, AK 99801-1182

May 10, 2024

Re: Senate Bill 264 relating to loans in an amount of \$25,000 or less *et al.*

Dear Senate Finance Committee Members,

I write on behalf of the American Financial Services Association (AFSA)¹ to express our serious concerns about Senate Bill 264. This measure has the potential to significantly disrupt access to safe and affordable credit in Alaska. If passed as written, it would drive far-reaching unintended consequences, as those Alaskans with credit scores that make it more difficult to secure loans from banks and credit unions find they have nowhere to turn for the credit they need to smooth their finances, meet emergencies, and build credit histories to become financially mobile.

If enacted, SB 264 would effectively eliminate the only safe, affordable, credit-building loans available to many Alaskans, as well as impose unreasonable lending limitations on the commercial lending industry. The bill would prohibit licensed lenders from offering loans with interest rates less than perfect 10% for loans less than \$25,000. This would effectively eliminate commercial lending as a viable option for consumers. The bill would become law. The bill would also prohibit lenders from offering lower and more



ALASKA SB 264

¹ Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, direct and indirect vehicle

NEW YORK A9585

- All-in rate cap
- Affects commercial lending
- Deviates from TILA APR

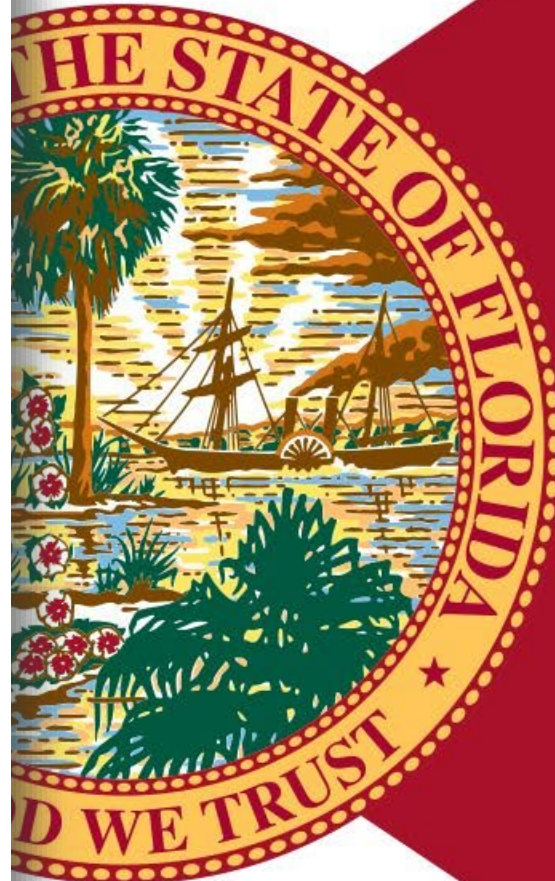


ENROLLED

CS/HB 1347

2024 Legislature

1 An act relating to consumer finance loans; amending s.
2 516.01, F.S.; defining the term "branch"; amending s.
3 516.02, F.S.; prohibiting a person from operating a
4 branch of a business making consumer finance loans
5 before obtaining a license from the Office of
6 Financial Regulation; amending s. 516.03, F.S.;
7 specifying application fees for branch licenses;
8 revising the applicability of investigation fees;
9 making a technical change; amending s. 516.031, F.S.;
10 revising the maximum interest rates and the
11 calculation of interest rates on consumer finance
12 loans; revising the minimum amount of time before
13 which a delinquency charge for each payment in default
14 may be imposed; amending s. 516.15, F.S.; requiring
15 licensees offering an assistance program to borrowers
16 after a federally declared major disaster to send a
17 specified notice to the office within a certain
18 timeframe; providing construction; requiring licensees
19 to offer to borrowers credit education programs or
20 seminars; providing topics for such programs or
21 seminars; requiring that such programs or seminars be
22 free; prohibiting licensees from requiring borrowers
23 to participate in such programs or seminars as a
24 condition of receiving loans; creating s. 516.38,
25



FLORIDA
HB 1347

March 13, 2024

The Honorable Ron DeSantis
Florida Governor
Plaza Level 05, The Capitol
400 S. Monroe Street
Tallahassee, FL 32399

Re: HB 1347 – Consumer Finance Loans

Dear Governor DeSantis:

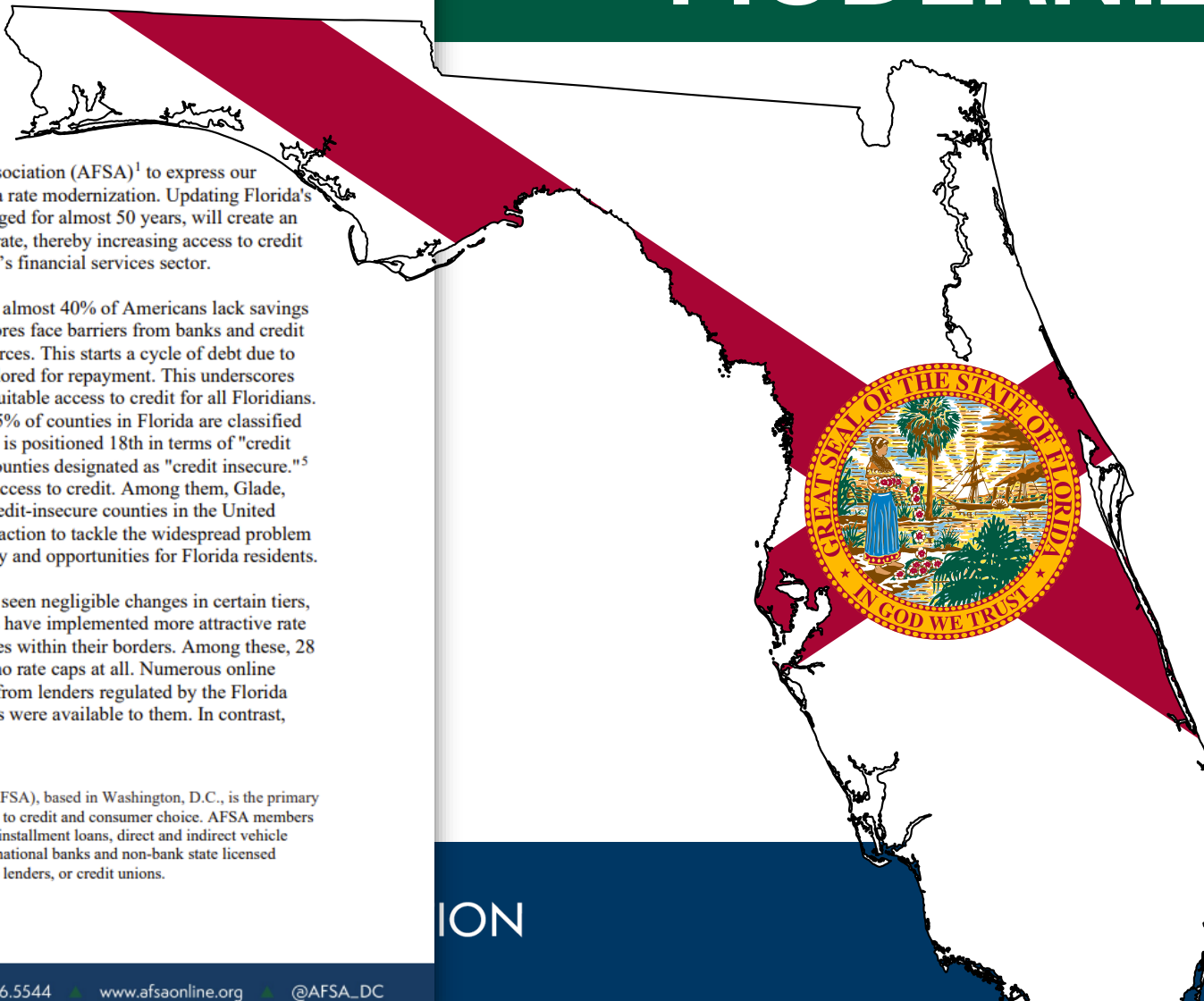
I write on behalf of the American Financial Services Association (AFSA)¹ to express our support for HB 1374 and applauding Florida's push for a rate modernization. Updating Florida's consumer finance statutes, which have remained unchanged for almost 50 years, will create an environment where a greater number of lenders can operate, thereby increasing access to credit for Floridians and creating more competition in the state's financial services sector.

Access to credit is vital during financial emergencies, as almost 40% of Americans lack savings of \$400.³ Unfortunately, individuals with poor credit scores face barriers from banks and credit unions, leading them to resort to less secure or illicit sources. This starts a cycle of debt due to the lack of access to safe and affordable loan options tailored for repayment. This underscores the urgent need for legislative measures that promote equitable access to credit for all Floridians. According to the Federal Reserve Bank of New York, 45% of counties in Florida are classified as either "Credit-At-Risk" or "Credit-Insecure."⁴ Florida is positioned 18th in terms of "credit insecurity" nationwide and ranks 4th in the number of counties designated as "credit insecure."⁵ Twenty-one out of Florida's 67 counties lack sufficient access to credit. Among them, Glade, Lafayette, and Union counties are among the 50 most credit-insecure counties in the United States.⁶ This emphasizes the crucial need for legislative action to tackle the widespread problem of restricted credit access, guaranteeing financial stability and opportunities for Florida residents.

Since 1973, Florida's Consumer Finance loan rates have seen negligible changes in certain tiers, failing to adjust for inflation. Meanwhile, 42 other states have implemented more attractive rate and fee structures, attracting lenders to offer their services within their borders. Among these, 28 states have set their rate caps at 36% or higher, or have no rate caps at all. Numerous online borrowers in Florida might have been eligible for loans from lenders regulated by the Florida Office of Financial Regulation if a wider array of lenders were available to them. In contrast,

¹ Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, direct and indirect vehicle financing, mortgages, and payment cards. AFSA members include national banks and non-bank state licensed financial institutions. AFSA does not represent payday lenders, title lenders, or credit unions.

FLORIDA RATE MODERNIZATION



February 26, 2024

Representative Shannon Bird
Chair, House Finance Committee
Colorado General Assembly
200 E Colfax Avenue
Denver, CO 80203

Re: Hearing on House Bill 1148: Amending the Terms of Consumer Lending Laws

Dear Representative Bird:

On behalf of the American Financial Services Association, I am pleased to submit testimony to the House of Representatives regarding the opportunity to

Our members have significant access to safe and affordable credit. However, the current socio-economic consequences make it difficult to secure loans for those who need them to smooth their financial lives and remain financially mobile.

Three out of four Colorado households have a credit card, according to a report the state itself commissioned in 2021. Colorado consumers.ⁱⁱ

A similar law—albeit with a sunset provision—has been in effect in three particularly notable states:

1. 368,916 Borrowers in California have a difference in the interest rate of state-reported loans of 368,916 percent.
2. The number of licensed entities at the state level is 1,813.
3. The lucky few who are able to obtain a subprime loan by 40 percent.^v Access to credit is significantly reduced.

ⁱ Founded in 1916, the American Financial Services Association is the primary trade association for the financial services industry. AFSA members provide a wide range of financial products and indirect vehicle financing to consumers and bank state licensed financial institutions.

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

REENGROSSED
*This Version Includes All Amendments
Adopted in the House of Introduction*
HOUSE BILL 24-1148

LLS NO. 24-0731.01 Josh Schultz x5486

HOUSE SPONSORSHIP
Weissman and Mabrey, Bacon, Boesenecker, Brown, Daugherty, deGruy Kennedy, Froelich, Garcia, Hernandez, Herod, Jodeh, Kipp, Lindsay, Mauro, McCluskie, Ortiz, Parenti, Ricks, Rutinel, Sirota, Story, Titone, Willford

SENATE SPONSORSHIP
Gonzales,

House Committees	Senate Committees
Finance	

A BILL FOR AN ACT
CONCERNING A MORE INCLUSIVE CALCULATION OF THE FINANCE CHARGE APPLICABLE TO CERTAIN CONSUMER LENDING TRANSACTIONS, AND, IN CONNECTION THEREWITH, REQUIRING A MORE ACCURATE DISCLOSURE OF THE COST OF CREDIT FOR CERTAIN LOANS.

101
102
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Bill Summary

This summary applies to this bill as introduced and does not apply to any amendments adopted. If this bill is amended, the summary will be updated accordingly.

HOUSE
Reading Unamended
March 28, 2024

COLORADO HB 1148



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OTHER TRADITIONAL INSTALLMENT LENDING RESTRICTIONS





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A BILL

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 39-5-910 SO AS TO PROVIDE THAT IT IS AN UNFAIR TRADE PRACTICE FOR DEFERRED PRESENTMENT LENDERS, CONSUMER LENDERS, SUPERVISED LENDERS, SUPERVISED FINANCIAL ORGANIZATIONS, AND CONSUMER FINANCE COMPANIES TO CHARGE FEES OR INTEREST RATES THAT EXCEED THIRTY-SIX PERCENT ANNUAL PERCENTAGE RATE; BY ADDING SECTION 39-5-920 SO AS TO PROVIDE THAT THE AMOUNT OF THE CONSUMER'S RECOVERY IN AN ACTION PURSUANT TO THIS ARTICLE IS NOT CONTROLLING REGARDING AN AWARD OF ATTORNEY'S FEES; BY ADDING SECTION 39-5-930 SO AS TO PROVIDE THAT A LENDER CANNOT USE CERTAIN CORPORATE STRUCTURES TO CIRCUMVENT THE PROVISIONS CONTAINED IN THIS ARTICLE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 5, Title 39 of the S.C. Code is amended by adding:

Article 9

Consumer Lending

Section 39-5-910. (A) It is an unfair trade practice pursuant to Section 39-5-20(a) for a person engaged in the business of deferred presentment services to charge, directly or indirectly, a fee or other consideration that would cause the annual percentage rate for the transaction to exceed thirty-six percent, calculated as a rate using the system for calculating a military annual percentage rate pursuant to 32 C.F.R. Section 232.4.

(B) It is an unfair and deceptive trade practice pursuant to Section 39-5-20(a) for a consumer lender, supervised lender, or a supervised financial organization to contract for and receive a loan finance charge that exceeds an annual percentage rate of thirty-six percent per annum as calculated pursuant to 32 C.F.R. Section 232.4.

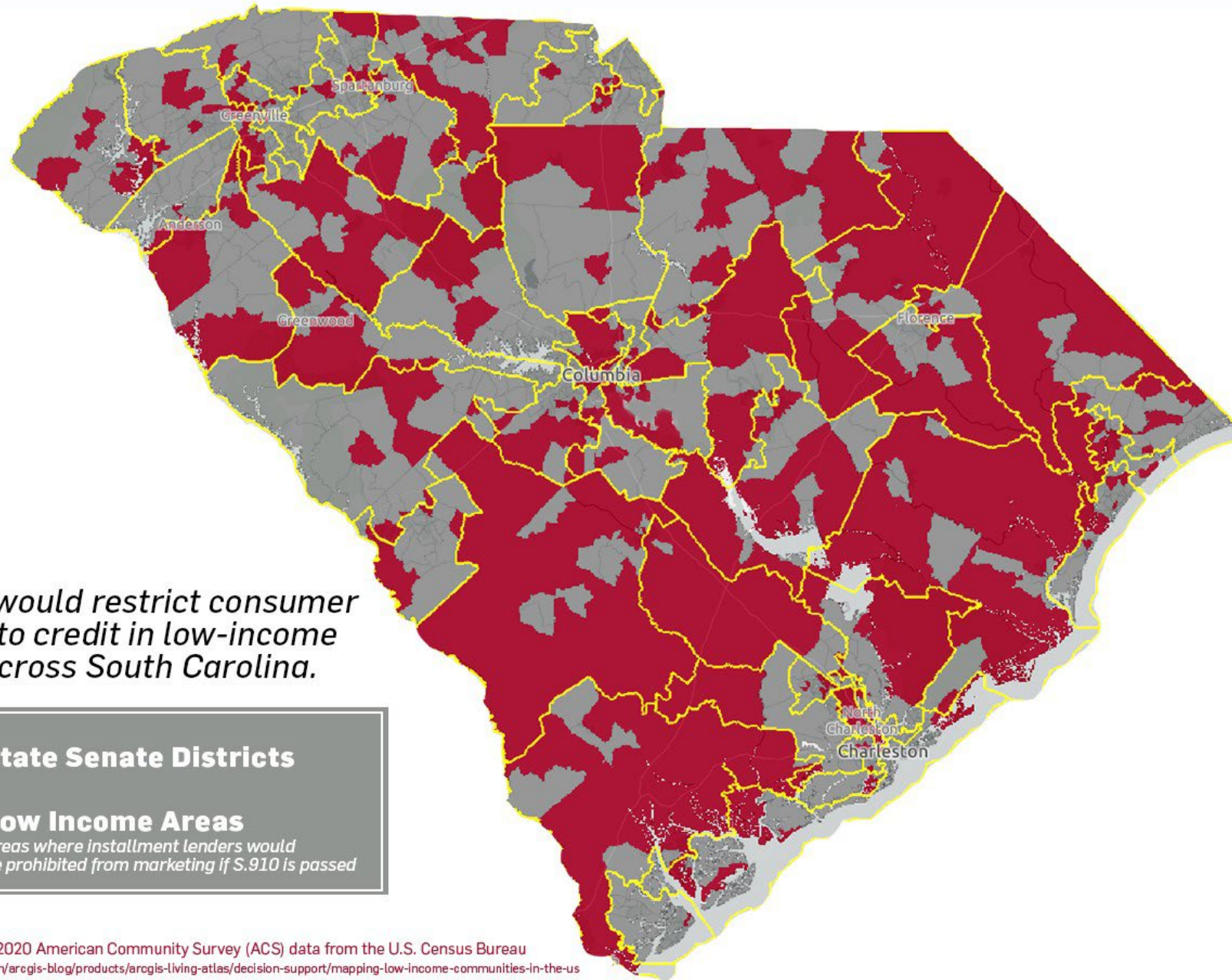
(C) It is an unfair trade practice pursuant to Section 39-5-20(a) for a consumer finance company to make loans pursuant to Chapter 29, Title 34 that would cause the annual percentage rate for the transaction to exceed thirty-six percent, calculated as a rate using the system for calculating a military annual percentage rate pursuant to 32 C.F.R. Section 232.4.

Section 39-5-920. In determining attorney's fees in action brought pursuant to Section 39-5-140 for [0518]



**SOUTH
CAROLINA S
910**

S. 910: THE REDLINING BILL



S. 910 would restrict consumer access to credit in low-income areas across South Carolina.



State Senate Districts



Low Income Areas

Areas where installment lenders would be prohibited from marketing if S.910 is passed





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2024 INDEPENDENTS CONFERENCE & EXPOSITION

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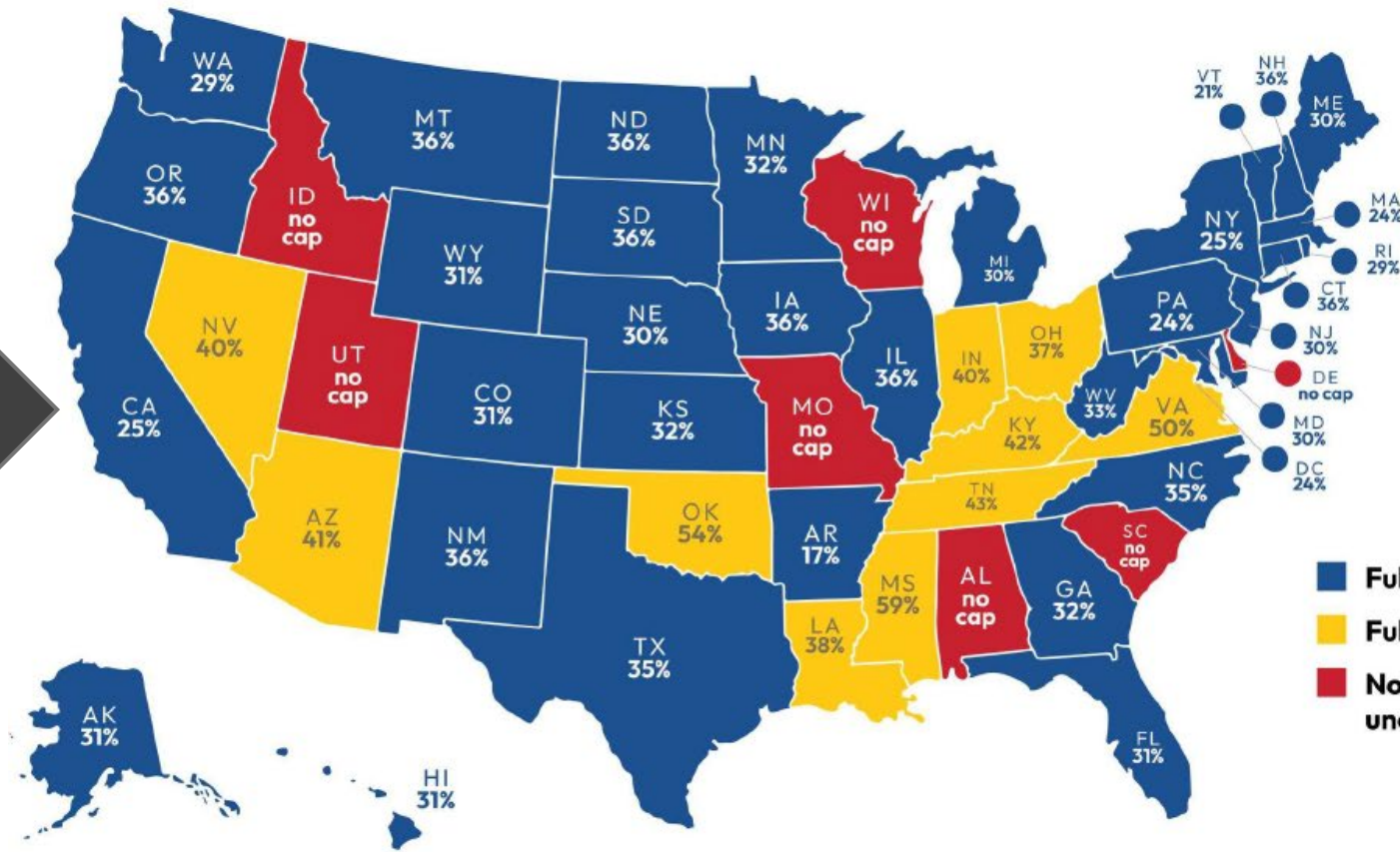


ACTIVIST WATCH

Welcome to
Sweet Home
Alabama



**STATE
INTEREST RATE
LIMITS a
\$2,000, 2-YEAR
INSTALLMENT
LOAN**

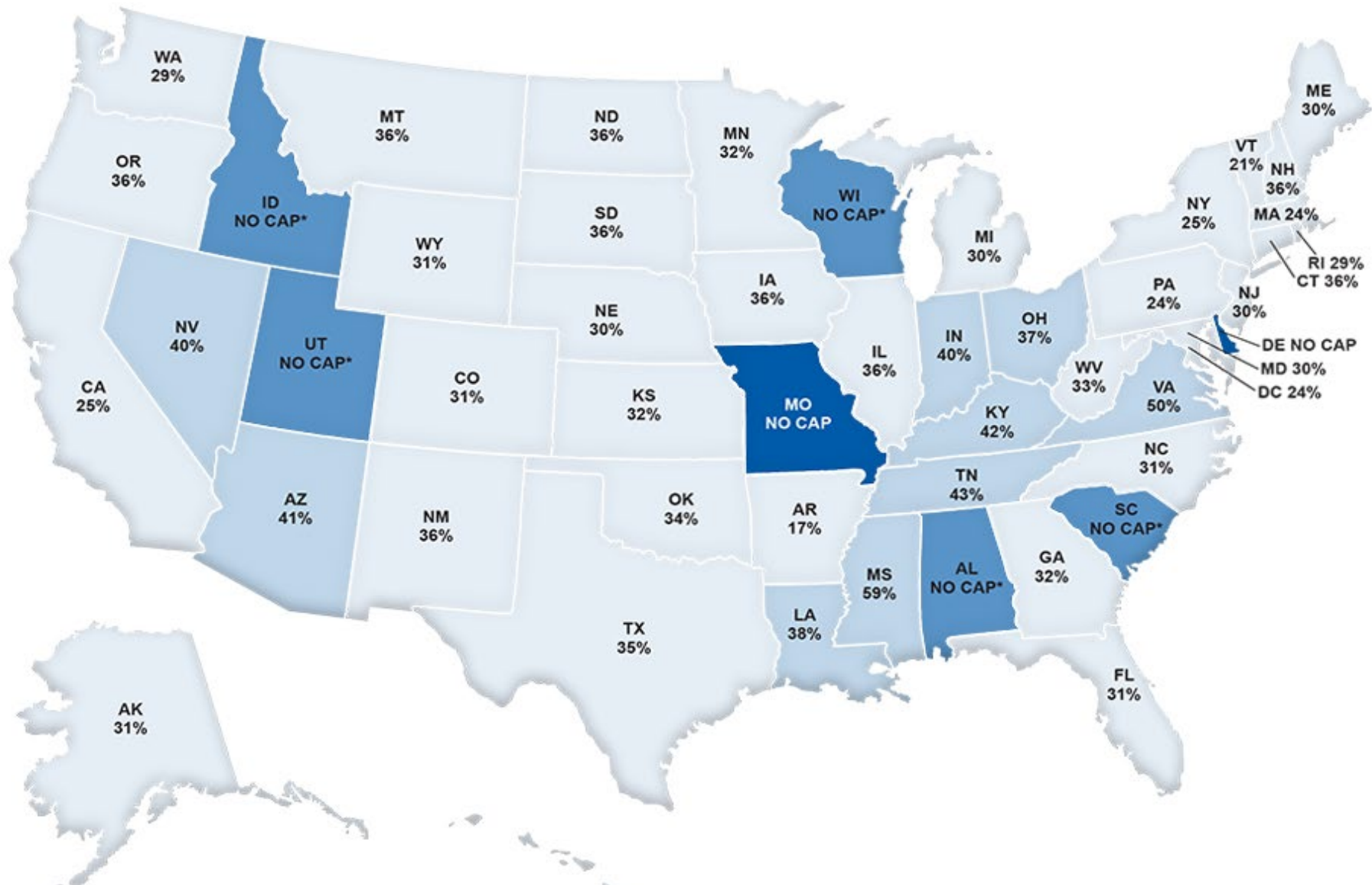


- Full APR 36% or less (33 states & DC)**
- Full APR 37%-59% (10 states)**
- No cap; some prohibit unconscionability (7 states)**



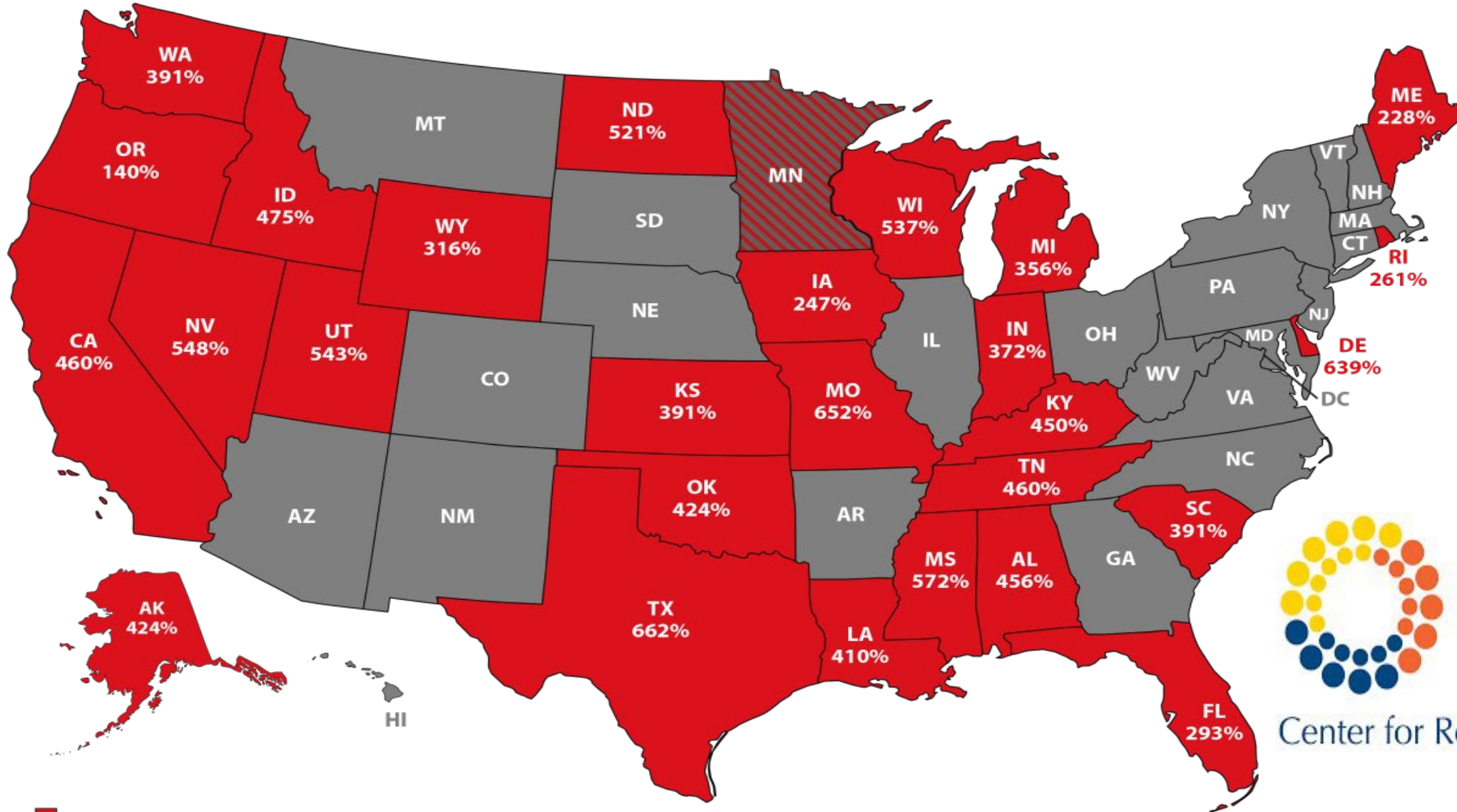
Source: NCLC

NCLC: \$500 // 6 MONTH LOANS



National
Consumer Law
Center

CRL "RED ALERT" ON \$400 PAYDAY LOANS IN THE U.S.



CRL

Center for Responsible Lending

- \$400, single-payment, triple-digit payday loans are issued
- ▨ Legislation passed to eliminate \$400, single-payment, triple-digit payday loans
- \$400, single-payment, triple-digit payday loans are not issued



ACTIVIST WATCH



ACTIVIST WATCH

Join the conversation on Twitter @AFSA_SGA



Activist Watch is a service of the State Government Affairs department of the American Financial Services Association (AFSA). It is intended to provide AFSA members with a regular snapshot of the financial services-related activities of prominent activist groups in an easily digestible format.

Activist Watch (March 2024 - reviewing activist activity from February 2024)

Activist Watch is a service of the State Government Affairs department of the American Financial Services Association (AFSA). It is intended to provide AFSA members with a regular snapshot of the financial services-related activities of prominent activist groups in an easily digestible format.

Americans for Financial Reform



ACTIVIST WATCH

Join the conversation on Twitter @AFSA_SGA



Activist Watch is a service of the State Government Affairs department of the American Financial Services Association (AFSA). It is intended to provide AFSA members with a regular snapshot of the financial services-related activities of prominent activist groups in an easily digestible format.

Activist Watch (May 2024 - reviewing activist activity from April 2024)

Americans for Financial Reform

- April 1, 2024- Sent a [joint letter](#) to the CFPB in support of rule to curb abusive overdraft fees.
- April 18, 2024- Released a [statement](#) regarding House plans.
- April 18, 2024- Released a [statement](#) regarding House plans.

March 23, 2024- Released a [press release](#) regarding low...
 Relevant media coverage and mentions included: [Payments Dive](#), [Bankrate](#), [The Lever](#), [Political](#)

Center for Responsible Lending

- March 7, 2024- Released a [press release](#) regarding fees in crusade against junk fees.
- March 7, 2024- Released a [press release](#) regarding downpayment assistance for first-generation students.
- March 15, 2024- Released a [press release](#) regarding junk fees in higher education.

Center for Responsible Lending

February 28, 2024- Sent a [letter](#) to Congress regarding the Financial Services Act.

Relevant media coverage or mentions included: [Syracuse Post-Sentinel](#), [Cleveland Plain Dealer](#), [National Association of Realtors](#), [NPR](#), [CNBC](#), [Yahoo Finance](#).

Consumer Federation of America

- February 8, 2024- Released a [press release](#) regarding groups opposing junk fees.
- February 8, 2024- Released a [press release](#) condemning regulatory changes to new CRA rules.

Center for Responsible Lending

- April 1, 2024- Released a [statement](#) regarding banking industry's lawsuit to halt updated CRA regulation.
- April 3, 2024- Released a [report](#) revealing large hidden costs of earned wage advance apps.
- April 3, 2024- Released a [press release](#) regarding Maryland allowing return of abusive payday lending.
- April 8, 2024- Released a [statement](#) and shared [draft rules](#) on Biden administration plan to deliver student debt relief to millions.
- April 10, 2024- Released a [statement](#) praising new VA program for foreclosure pause until implemented.
- April 15, 2024- Sent a [comment](#) regarding...
- April 16, 2024- Sent a [comment](#) regarding...



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FISHERIES

COLLECTIONS





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This Document can be made available in alternative formats upon request

State of Minnesota

Printed Page No. 377

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4077

Authored by Stephenson
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
Version of Report: Placed on the General Register as Amended
for the Second Time
to the Chief Clerk for Comparison with S. F. No. 4097
Indefinitely

A bill for an act

to commerce; adding, modifying, or eliminating provisions governing
r protection, monetary and financial institutions policy, insurance, and
munications; modifying and authorizing certain on-sale liquor licenses;
g technical changes; requiring reports; establishing penalties; amending
sota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2;
4, subdivisions 2, 6; 47.59, subdivision 3; 48.24, subdivision 2; 58.02,
divisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05,
subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10,
subdivision 3; 58.115; 58.13, subdivision 1; 60A.201, by adding a subdivision;
65A.29, subdivisions 7, 8; 70A.05; 72A.20, subdivision 13; 80A.61; 80A.66;
80C.05, subdivision 3; 82B.021, subdivision 26; 82B.095, subdivision 3; 82B.19,
subdivision 1; 115C.08, subdivision 2; 116J.39, subdivision 1; 116J.394; 116J.399,
subdivisions 1, 8, by adding a subdivision; 237.121; 237.162, subdivision 4;
237.163, subdivisions 2, 6, 7; 237.19; 272.12; 325D.43, by adding a subdivision;
325D.44, by adding subdivisions; 325E.66, subdivision 1; 325F.03; 325F.04;
325F.05; 325F.56, subdivision 2; 325F.62, subdivision 3; 340A.404, subdivision
2; 412.221, subdivision 6; 429.021, subdivision 1; 471.6161, subdivision 8;
471.617, subdivision 2; 507.235, subdivisions 1a, 5; 513.73, subdivision 3; 519.05;
550.37, subdivisions 2, 4, 6, 12a, 14, 20, 22, 23, by adding subdivisions; 550.39;
559.21, subdivisions 2a, 4, by adding subdivisions; 559.211, subdivision 1; 559.213;
563.01, subdivisions 3, 4, 8, 9, 10; 563.02, subdivision 2; 571.72, subdivisions 6,
8, 9, 10; 571.911; 571.914, subdivision 1; 571.92; 571.921; 571.922; 571.924,
subdivision 1; 571.925; 571.927; 604.18, subdivision 1; Minnesota Statutes 2023
Supplement, sections 47.59, subdivision 2; 53B.28, subdivisions 18, 25; 53B.29;
53B.69, by adding subdivisions; 61A.031; 80A.50; 222.37, subdivision 1; 239.791,
subdivision 8; 325E.21, subdivisions 1b, 11; 332.71, subdivisions 2, 4, 5, 7; 332.72;
332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article
2, section 3; proposing coding for new law in Minnesota Statutes, chapters 53B;
58; 60A; 62Q; 65A; 237; 325F; 332; 513; 550; proposing coding for new law as
Minnesota Statutes, chapters 46A; 325O; 332C; 559A; repealing Minnesota Statutes
2022, sections 45.014; 58.08, subdivision 3; 82B.25; 239.791, subdivision 3;
332.3351; 559.201; 559.202; Minnesota Statutes 2023 Supplement, sections 53B.58;
332.74, subdivision 5;

MINNESOTA

HF 4077



MICHIGAN HB 408 / 409



MICHIGAN SB 408: DEBT COLLECTION

While the American Financial Services Association acknowledges the importance of laws that protect consumers from abusive debt collection practices, Michigan SB 408 would have many negative effects on Michigan's consumers. SB 408 is extreme and would:

- Push Michigan's garnishment laws far out of the mainstream;
- Increase the cost and reduce the availability of credit for all Michi
- Harm Michigan's most vulnerable consumers; and
- Remove the incentive for many consumers to resolve debts.

SB 408 is extreme and would push Michigan outside the mainstream of states that permit wage garnishment.

- SB 408 proposes more than *quadrupling* the wage exemption from post-judgment collections irrespective of a customer's ability to repay.
- SB 408 would make anyone earning less than \$60,000 per year effectively "judgment proof."
- The CFPB observed that provisions like those in SB 408 were "larger than any current state protection except the states that do not allow any garnishment."ⁱ
- SB 408's extreme wage garnishment exemption of 80 times Michigan's minimum wage is combined with a \$17,000 bank account exemption, both of which substantially exceed even the recent Michigan Debt Collection Work Group's recommendations.ⁱⁱ
- SB 408's extreme exemptions are unnecessary. Michigan law (MCL 600.6201) already allows debtors to petition to stop garnishments and gives judges the discretion to adjust debt payments based on consumers' ability to repay.

SB 408 would increase the cost and reduce the availability of credit for all Michiganders.

- Garnishment restrictions like those in SB 408 constrict the availability of credit. The Philadelphia Federal Reserve found in a 2020 study that garnishment restrictions measurably reduced the number of new credit accounts.ⁱⁱⁱ
- The CFPB also recently found that increasing the amount of income exempt from garnishment tends to decrease credit availability for all consumers.^{iv}
- By insulating some borrowers from garnishment, SB 408 would shift the burden of default to non-defaulting consumers, which in turn would force creditors to increase the cost of credit for all and/or extend credit to only the least-risky borrowers.

SENATE BILL NO. 408

SENATE BILL NO. 409

June 27, 2023, Introduced by Senators CAVANAGH, IRWIN, MCMORROW, CHANG, GEISS and BAYER and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," amending section 5451 (MCL 600.5451), as amended by 2012 PA 451.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 5451. (1) A debtor in bankruptcy under the bankruptcy law of this State that is exempt from property of the estate under federal law or, under 11 USC (2), the following property:

(a) All of the following:

(i) Family pictures.



GOVERNMENTAL
ADVOCATES

April 16, 2024

The Honorable Ash Kalra
Chair, Assembly Judiciary Committee
1020 O Street
Sacramento, CA 95814

RE: AB 2228 (Villapudua)- OPPOSE UNLESS AMENDED

Dear Assemblymember Kalra:

On behalf of the American Financial Services Association (AFSA) and the California Financial Services Association (CFSA), I am writing to express their oppose unless amended positions on AB 2228 pertaining to auto repossessions. While AFSA and CFSA are supportive of the author's effort to simplify communication obligations relating to consumer personal property found in a vehicle following a repossession, they are opposed to language that seemingly allows California repossession agencies to collect an unlimited fee from consumers as a condition of returning their personal property.

Personal property is property located in a repossessed vehicle, but not covered by a security agreement. The practice of refusing to return personal property subject to the payment of any fee is prohibited and constitutes a violation of federal consumer law (12 U.S.C. 5536). The proposed language however authorizes any amount to be charged in connection with recovery of personal property, contrary to federal law and to the best interest of consumers. Specifically, language provides that "Any charges...shall not be determined by any entity other than the repossession agency." The proposed language also requires that the amount of the fee is protected as "confidential information," which prohibits our member organizations from conducting the oversight required under the Dodd Frank Act (Public Law 111-203).


Finance companies have no ownership interest in personal property which may be located inside a vehicle at the time of repossession, and they do not have the authority to grant ownership interest in any property not covered by a security agreement. Additionally, finance companies are required to comply with the terms of the consumer contract underlying the consumer credit transaction, which may also prohibit the fees in question. Under the proposed legislation, finance companies would be unable to protect customers against unlawful charges, potential discrimination, and other unfair/deceptive acts related to their personal property. Customers could face significant potential harm in circumstances where their personal property is withheld or disposed of because of their inability to pay fees or delays in locating their property.

possibly claims to ensure "that repossession agencies are not... confidential information", while it actually

CALIFORNIA AB 2228







April 12, 2024

The Honorable Dave Min
Member, California State Senate
1021 O Street, Suite 6710
Sacramento, CA 95814

RE: SB 1286 (Min): Rosenthal: Small Business Debts - OPPOSE

Dear Senator Min,

The above noted organizations, representing original lenders, respectfully submit our concerns related to Senate Bill 1286. Small businesses are engines of job creation and economic growth. California's small business industry has a long history of ensuring that small businesses have access to the financial products that they need to survive and thrive. While we support the goal that small business borrowers are empowered to successfully repay loans is a laudable goal, we write to express the following concerns regarding SB 1286, as we believe that implementing new provisions intended to improve the collection of commercial debts may result in a chilling effect on small business lending due to litigation risk and unachievable compliance mandates that the measure currently presents.

Consumer Debt & Commercial Debt is Not Apples to Apples

The Fair Debt Collection Practices Act (FDCPA) govern how debt collectors may try to collect on consumer debts owed. Individual consumers in California are also protected by the Rosenthal Fair Debt Collection Practices Act (Rosenthal), which covers more types of debt collectors and offers additional protections to consumers.

The FDCPA is based on the "least sophisticated consumer standard," meaning a debtor must be considered uninformed, naive, or trusting. In its ruling in *Avila, et al. v. Riexinger & Associates, LLC*, the Second Circuit held that a debt collector cannot presume that a consumer understands the most elementary rules of debt collection. Similarly, the FDCPA is applied and enforced through the least sophisticated consumer standard.

**CALIFORNIA SB
1286**



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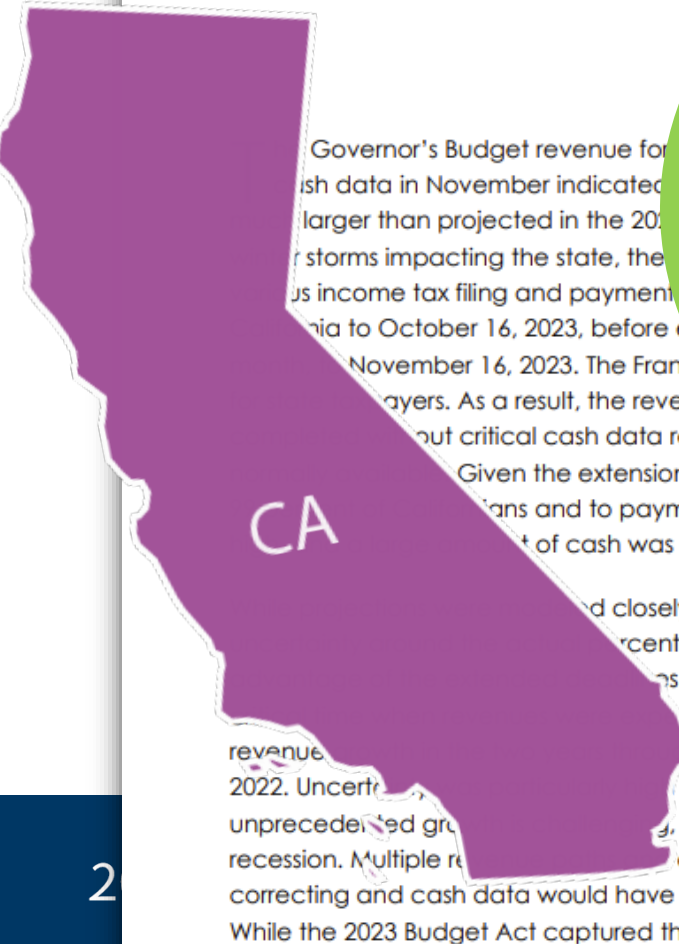
FISHERIES

RETAIL BAD DEBT



REVENUE ESTIMATES

GOVERNOR'S BUDGET SUMMARY



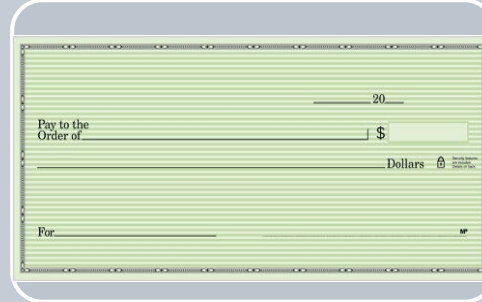
Governor's Budget revenue for
ish data in November indicated
larger than projected in the 20
storms impacting the state, the
us income tax filing and payment
ia to October 16, 2023, before e
November 16, 2023. The Fran
ayers. As a result, the revenue
out critical cash data related
Given the extension applied
ans and to payments spanning
t of cash was expected to shift
d closely after past events, th
percentage of individuals and businesses
s. Moreover, cash data was unavailable
ected to decline following unprecedented
2021-22 and the stock market correction
as projecting revenues following such
especially when the economy is not in a
recession. Multiple re
outcomes would be consistent with revenues
correcting and cash data would have normally determined the size of the correction.
While the 2023 Budget Act captured the downward trend in revenues, it was not until

ELIMINATION OF BAD DEBT DEDUCTION

Since 2000, current California law allows retailers, lenders, and retailers' affiliates to deduct or claim a refund for sales and use tax paid on accounts used to purchase taxable goods on credit that are found worthless or charged off (subsequently referred to as "bad debt"). Typically, loans to purchase goods are offered by retailer-affiliate lenders such as banks, credit unions, and other financial companies who price in default risks through interest rates and late payment fees. Lenders can claim the deduction or refund even if a profit was made on the bad debt through interest and penalties paid.

The Budget proposes to eliminate the bad debt deduction and refund, effective in January 2025, joining the majority of states in disallowing deductions for non-retailer lenders for sales tax paid on bad debts. This proposal is projected to increase General Fund revenues by \$23.5 million in 2024-25 and about \$50.6 million per year thereafter.

TODAY: WITH CREDIT FOR TAXES ALREADY PAID



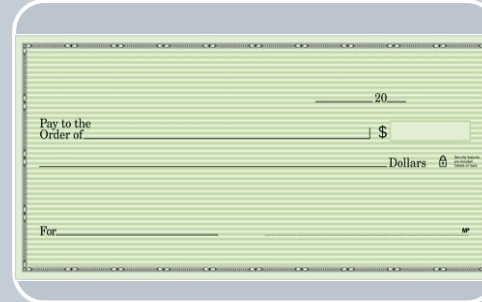
1. Customer buys car from dealer and agrees to pay back loan

2. Sales tax paid to CA for purchase price of vehicle

3. Customer pays financial institution back for purchase and taxes in installments

4. If car repossessed, consumer doesn't owe original sales tax because car is resold and taxes collected again

IF CREDIT FOR TAXES ALREADY PAID IS ELIMINATED



1. Customer buys car from dealer and agrees to pay back loan

2. Sales tax paid to CA for purchase price of vehicle

3. Customer pays financial institution back for purchase and taxes in installments

4. If car repossessed, consumer still owes sales taxes even though car will be resold

ISSUES ROUNDTABLE



NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

SENATE BILL 24-205

BY SENATOR(S) Rodriguez, Cutter, Michaelson Jenet, Priola, Winter F., Fenberg;
also REPRESENTATIVE(S) Titone and Rutinel, Duran.

CONCERNING CONSUMER PROTECTIONS IN INTERACTIONS WITH ARTIFICIAL INTELLIGENCE SYSTEMS.

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

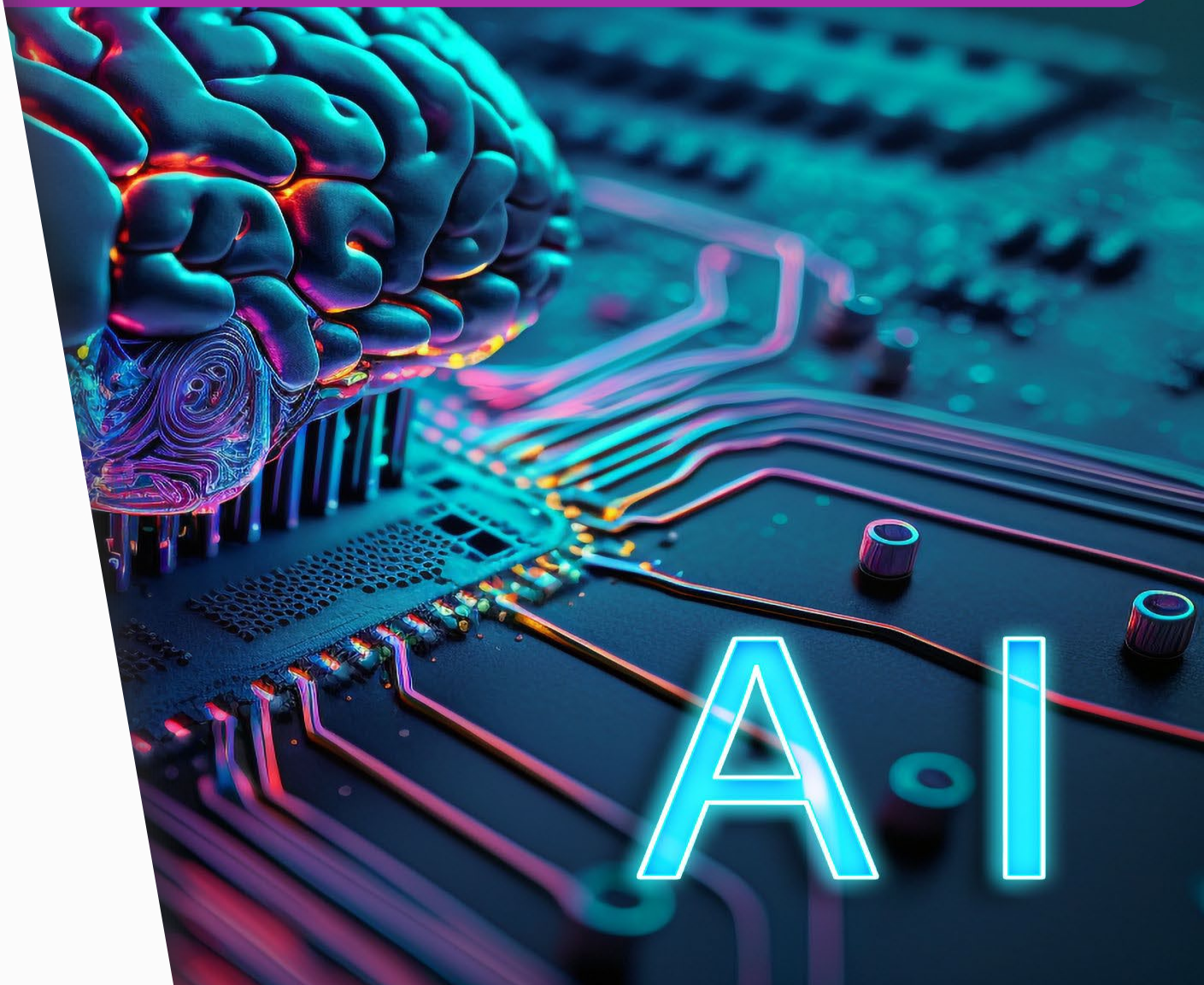
SECTION 1. In Colorado Revised Statutes, add part 17 to article 1 of title 6 as follows:

PART 17 ARTIFICIAL INTELLIGENCE

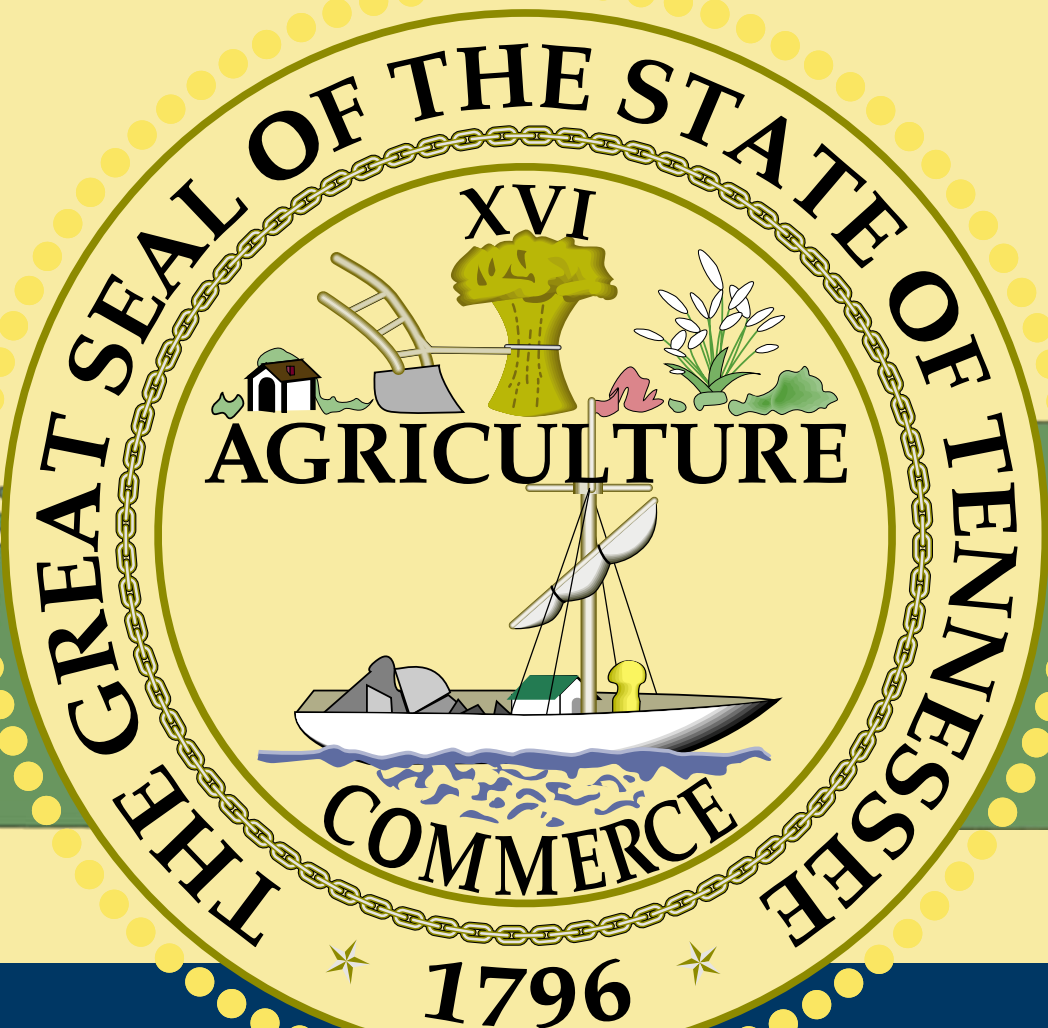
6-1-1701. Definitions. AS USED IN THIS PART 17, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) (a) "ALGORITHMIC DISCRIMINATION" MEANS ANY CONDITION IN WHICH THE USE OF AN ARTIFICIAL INTELLIGENCE SYSTEM RESULTS IN AN UNFAVORABLE DIFFERENTIAL TREATMENT OR IMPACT THAT DISFAVORS AN INDIVIDUAL OR CLASS OF INDIVIDUALS ON THE BASIS OF THEIR ACTUAL OR

COLORADO SB 205



TENNESSEE HB 2100



2024 INDEPENDENTS CONFERENCE & EXPOSITION



State of Tennessee

PUBLIC CHAPTER NO. 746

HOUSE BILL NO. 2100

By Representatives Zachary, Sparks, Grills, Raper, Russell, McCalmon, Davis, Fritts, Brock Martin, Carringer, Rudd, Cepicky, Terry, Lafferty, Moody, Littleton, Hulsey, Richey, Howell, Hawk, Doggett, White, Burkhardt, Sherrell

Substituted for: Senate Bill No. 2148

By Senators Johnson, Crowe, Haile, Hensley, Jackson, Niceley, Stevens, Taylor, Walley, White

AN ACT to amend Tennessee Code Annotated, Title 4; Title 9; Title 45; Title 47 and Title 56, relative to consumer protection.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 45, Chapter 1, Part 1, is amended by adding the following as a new section:

45-1-100

(2) "Services":

(A) Means a financial product or service offered by a financial institution; and

(B) Does not include a loan, as defined in § 45-4-601.

(b) Financial institutions shall make determinations about the provision or denial of services based on an analysis of risk factors unique to each current or prospective customer and shall not engage in a practice described in subsection (c). This subsection (b) does not restrict a financial institution that claims a religious purpose from making such determinations based on the current or prospective customer's religious beliefs, religious exercise, or religious affiliations.

(c) A financial institution shall not deny or cancel its services to a person, or otherwise discriminate against a person in making available such services or in the terms or conditions of such services, on the basis of:

(1) The person's political opinions, speech, or affiliations;

(2) Except as provided in subsection (b), the person's religious beliefs, religious exercise, or religious affiliations;

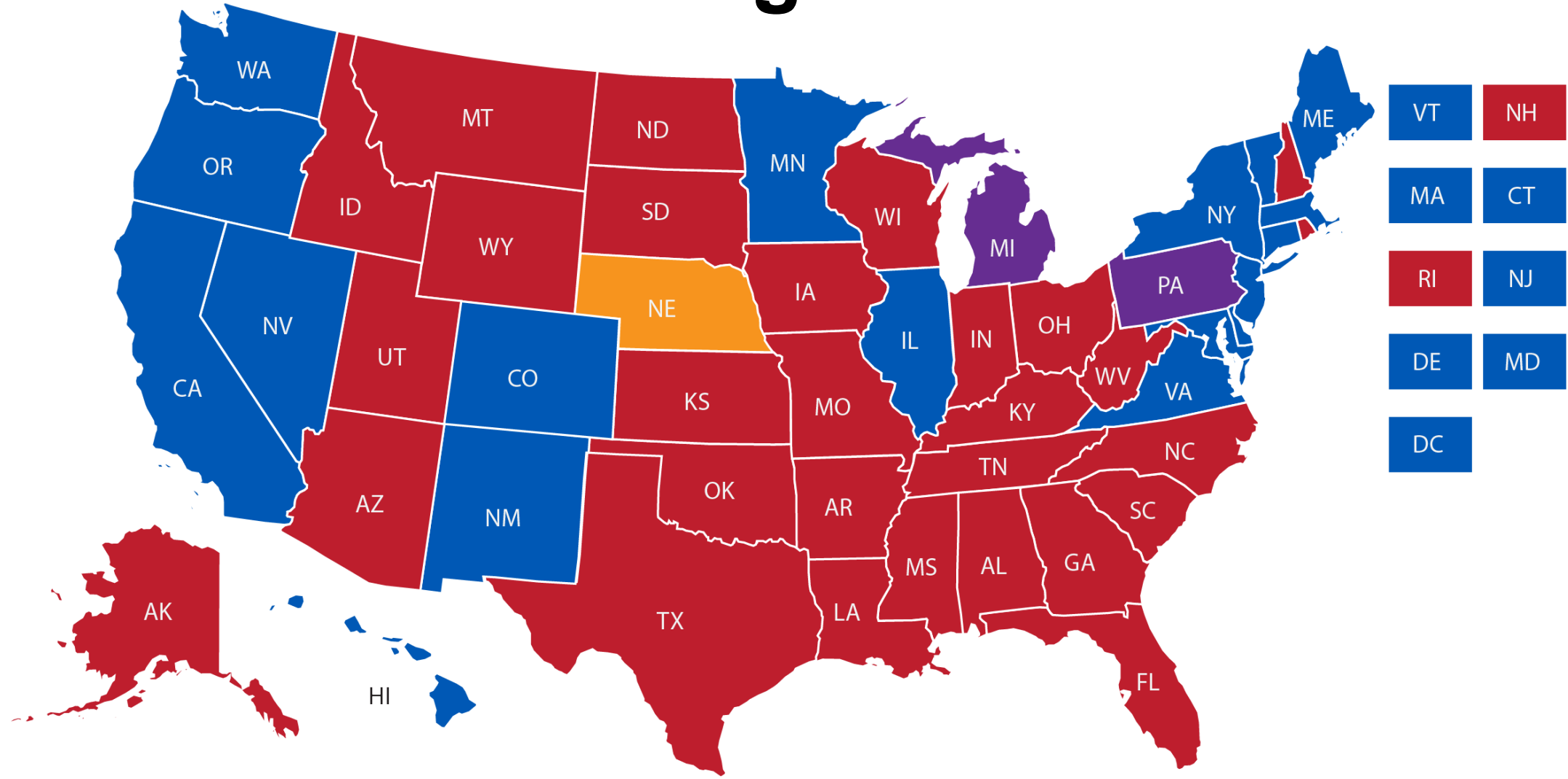
(3) Any factor if it is not a quantitative, impartial, and risk-based standard, including any such factor related to the person's

CSBS FEE INCREASE

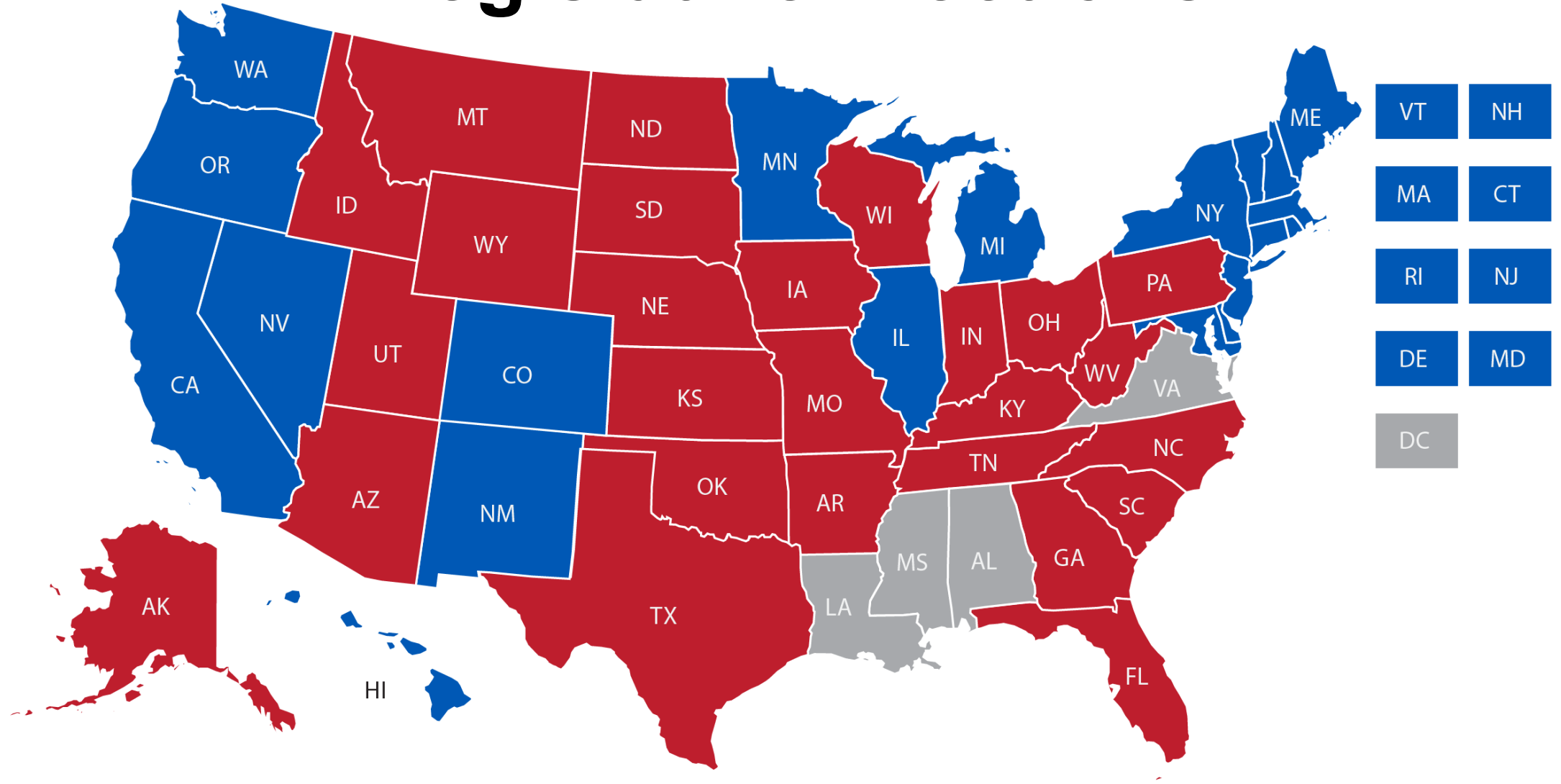
CSBS



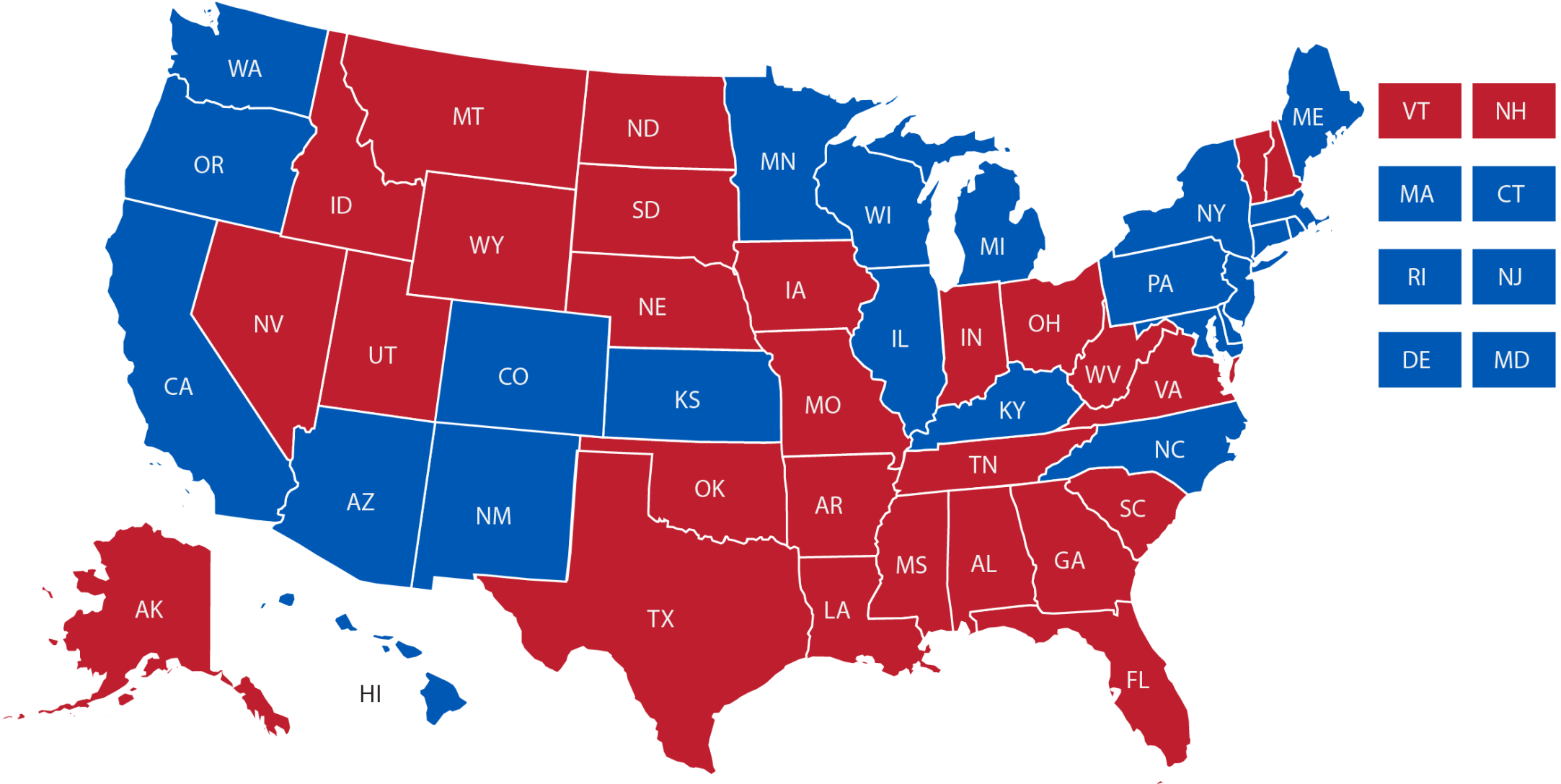
State Legislatures



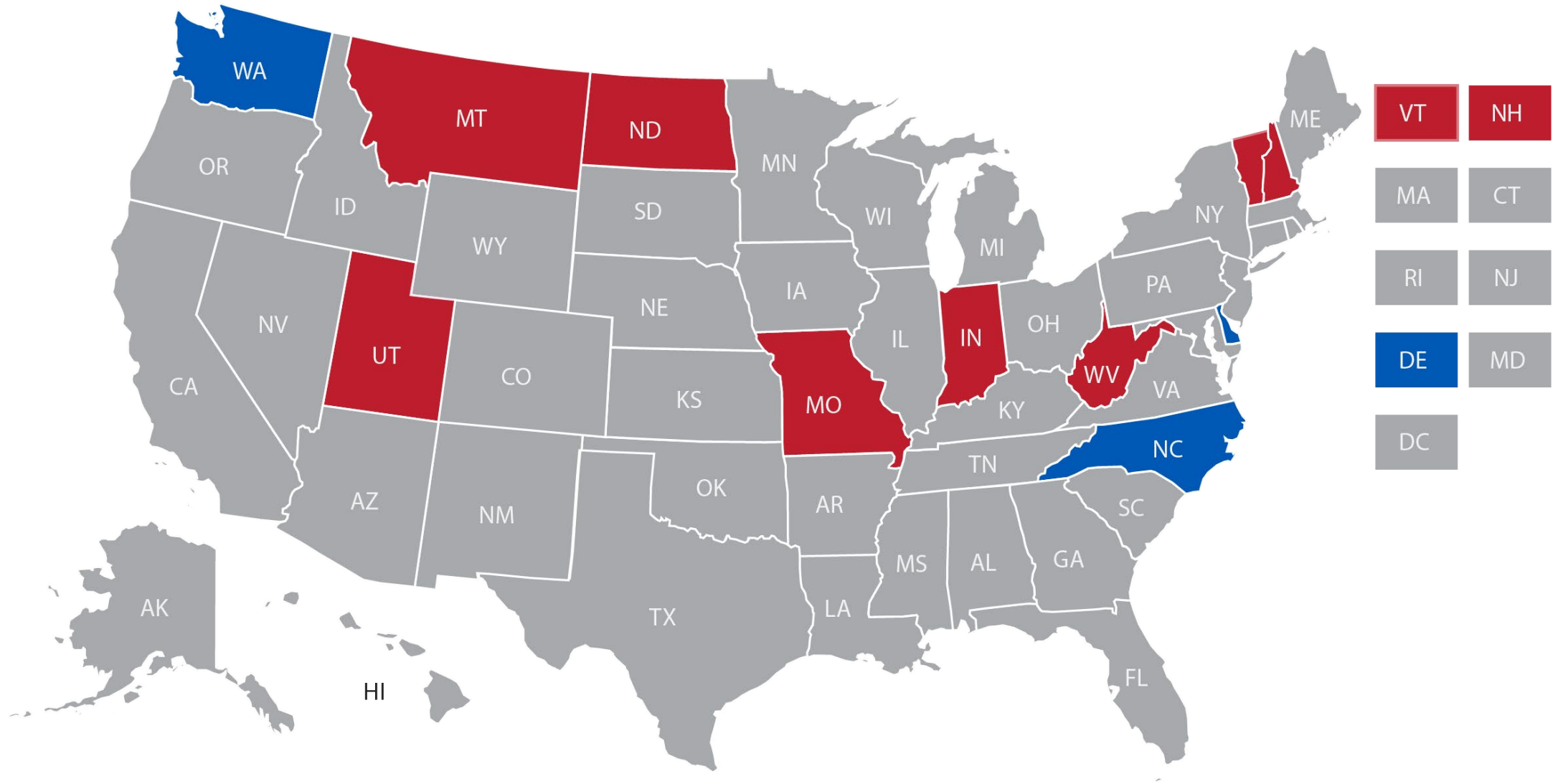
Legislative Elections



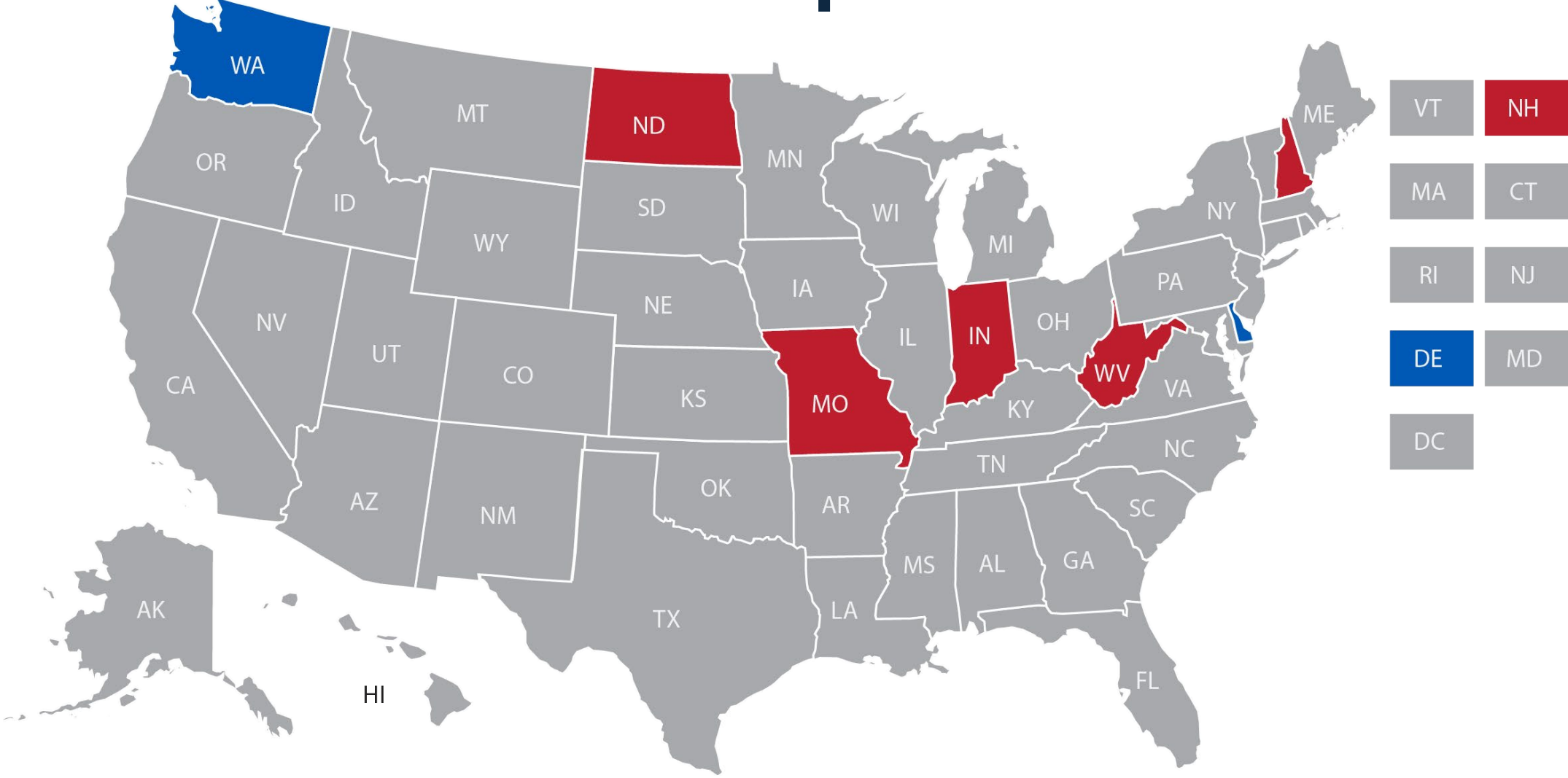
Governors



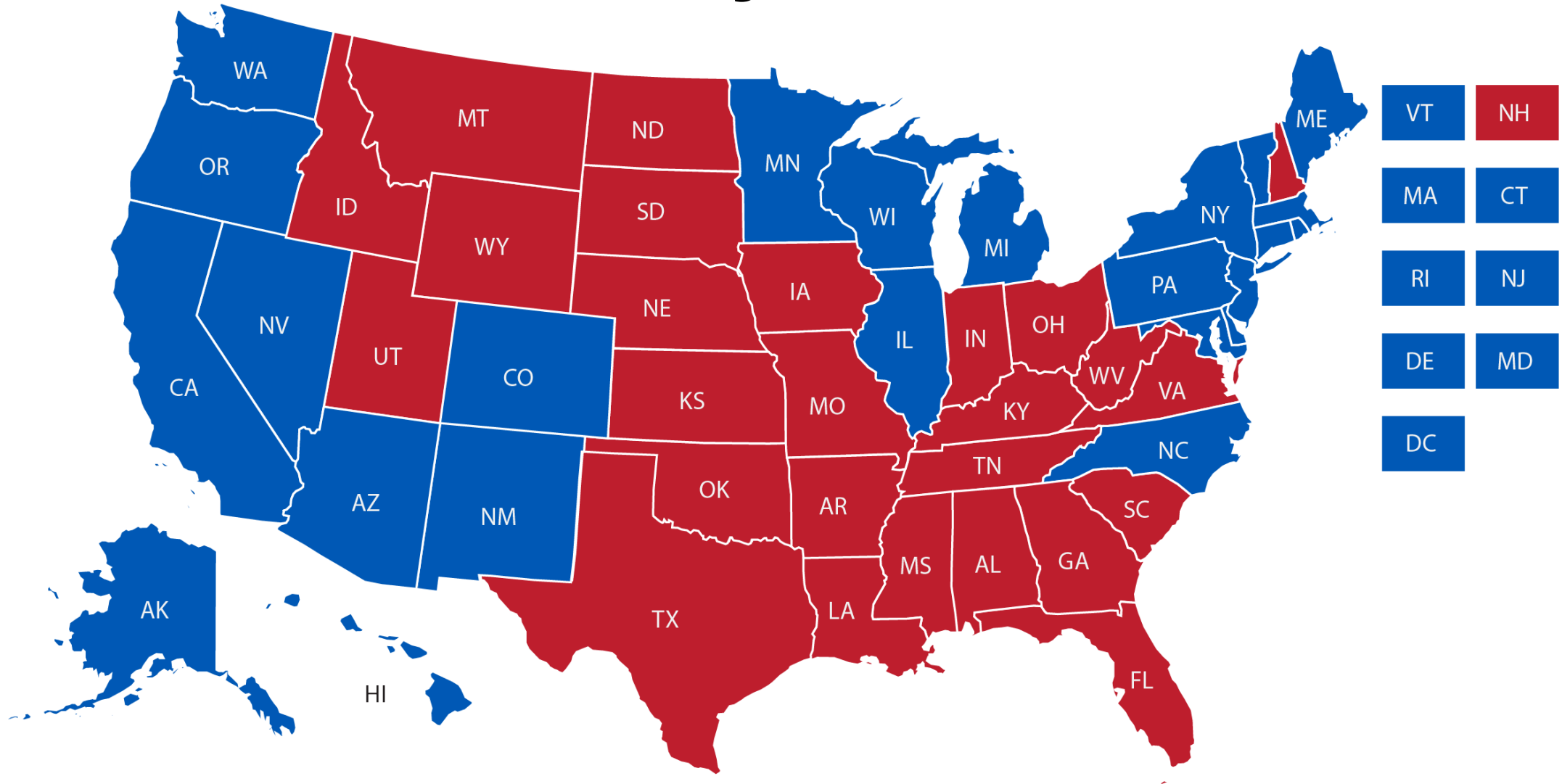
Gubernatorial Elections



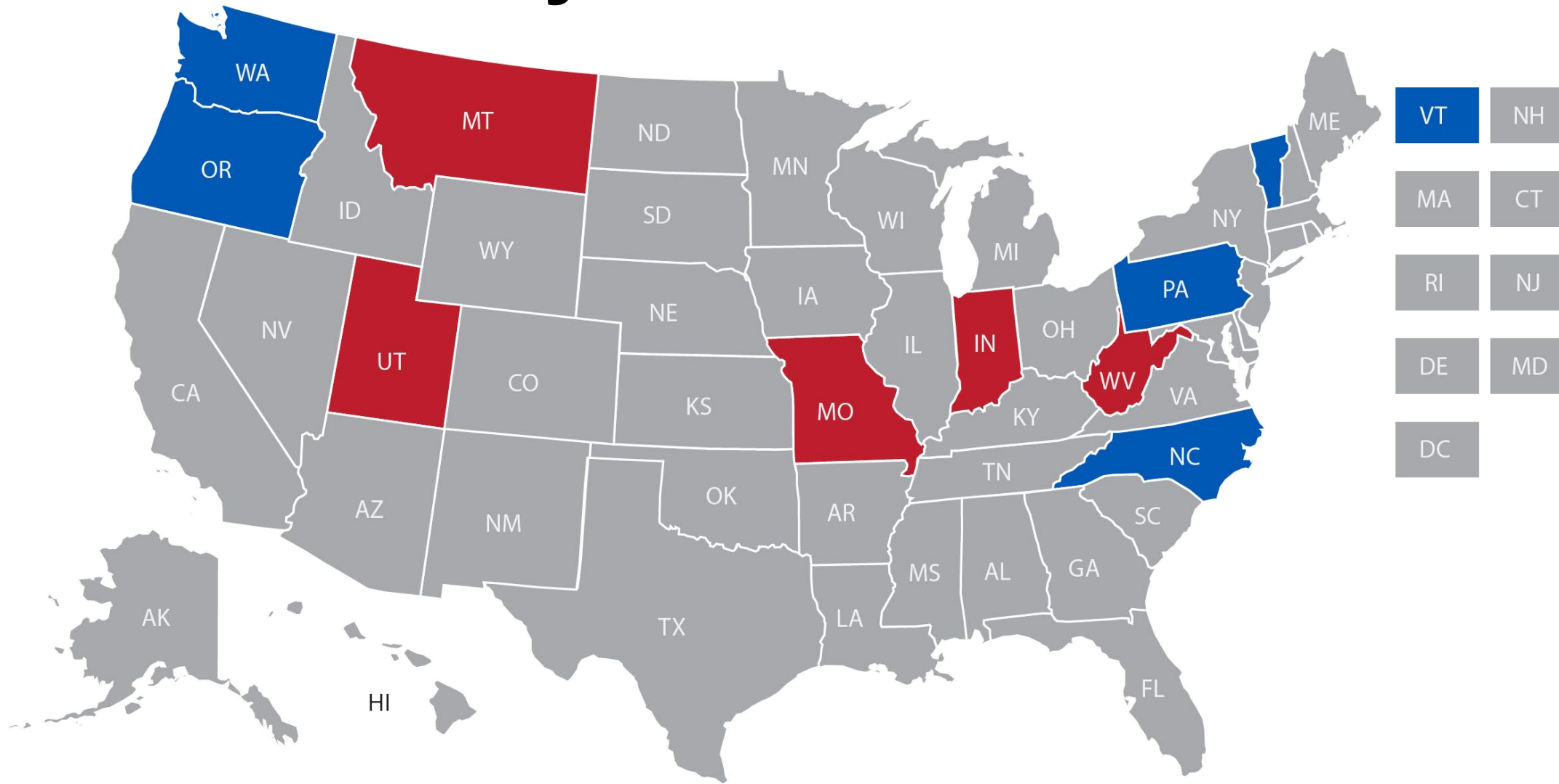
Governor Open Seats



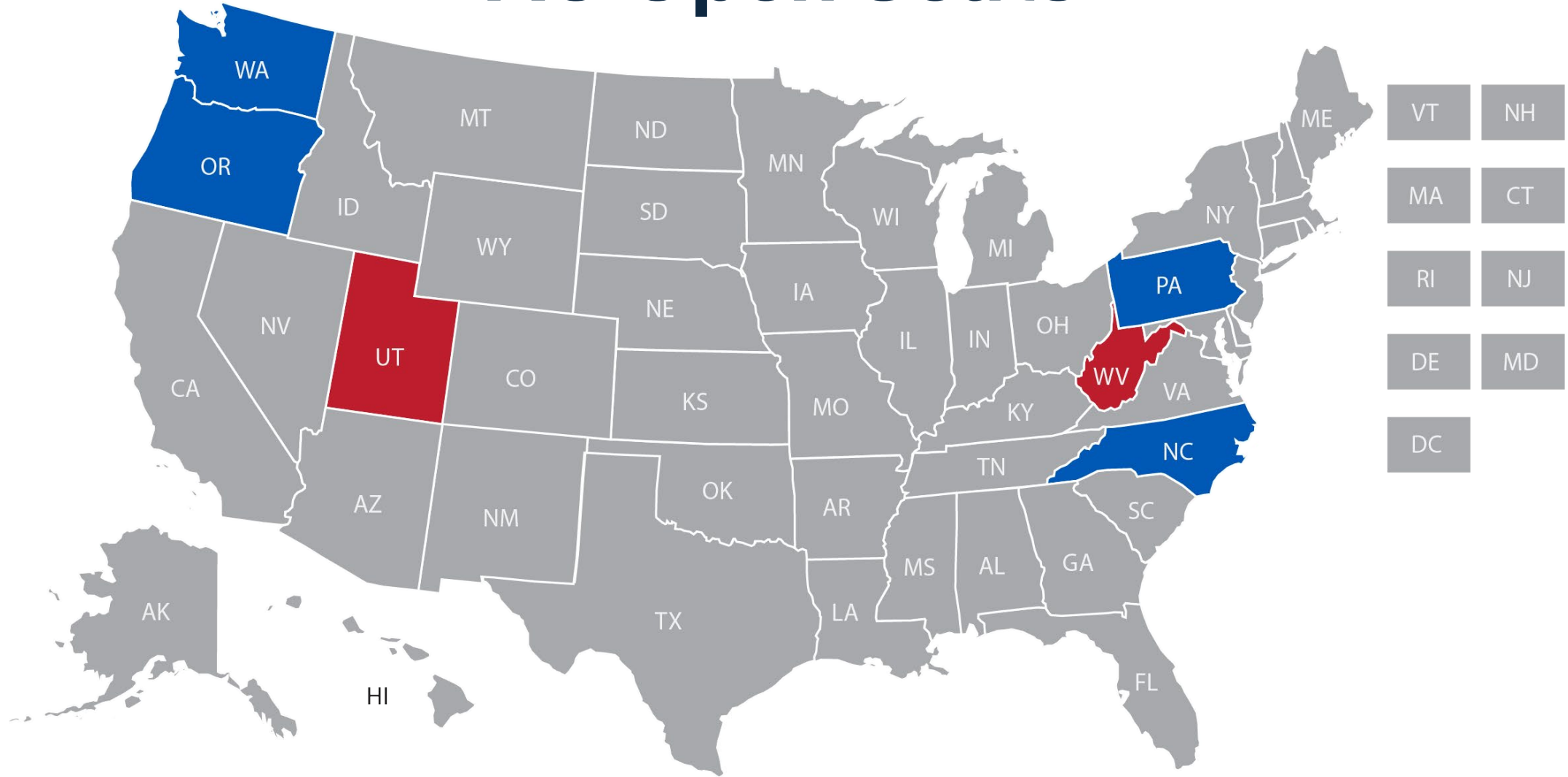
Attorneys General



Attorney General Elections



AG Open Seats





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TO OUR SPONSOR!



**NATIONAL
BANKRUPTCY
SERVICES**

A desert landscape at sunset. In the foreground, several tall saguaro cacti are visible, some with arms. The middle ground shows a rocky, reddish-brown mountain peak. The background is a sky with soft, golden light from the setting sun, creating a warm, orange glow. The overall scene is a classic Arizona desert landscape.

2024 Annual Meeting
The Biltmore | Phoenix, AZ
October 21 – 23



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