

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1403

(Reference to Senate engrossed bill)

- 1 Page 1, line 4, strike "LAWSUIT LOANS" insert "LEGAL FINANCING"
- 2 Line 10, strike "LAWSUIT LOAN" insert "LEGAL FINANCING"; strike "LAWSUIT"
- 3 Line 11, strike "LOAN" insert "LEGAL FINANCING"; strike "LAWSUIT LOAN" insert
- 4 "LEGAL FINANCING"
- 5 Lines 13, 14 and 17 strike "LAWSUIT LOAN" insert "LEGAL FINANCING"
- 6 Line 19, strike "LAWSUIT LOAN" insert "LEGAL FINANCING TRANSACTION"
- 7 Line 20, strike the second "A"; strike "LAWSUIT LOAN" insert "LEGAL FINANCING"
- 8 Lines 23, 28, 32, 33, 34 and 35 strike "LAWSUIT LOAN" insert "LEGAL FINANCING"
- 9 Line 37, after the first "CONSUMER" strike remainder of line, insert "LEGAL
- 10 FINANCING COMPANY PROVIDES CONSUMER LEGAL FINANCING"
- 11 Line 40, strike "LAWSUIT LOAN" insert "LEGAL FINANCING"
- 12 Page 2, line 11, strike "lawsuit loan" insert "legal financing"
- 13 Between lines 12 and 13, insert:
- 14 "A. A CONSUMER LEGAL FINANCING COMPANY MAY NOT ENTER IN TO MORE THAN
- 15 ONE LEGAL FINANCING TRANSACTION PER LEGAL ACTION IN WHICH THE CONSUMER IS A
- 16 PARTY."
- 17 Reletter to conform
- 18 Line 13 and 14 and 15, strike "LAWSUIT LOAN" insert "LEGAL FINANCING"
- 19 Line 16, strike "RATE OF INTEREST" insert "FEE"; strike "THIRTY-SIX" insert
- 20 "FORTY"; after "PERCENT" insert "OF THE FUNDING AMOUNT"
- 21 Line 17, strike "LAWSUIT LOAN" insert "LEGAL FINANCING"
- 22 Between lines 18 and 19, insert:
- 23 "D. A CONSUMER LEGAL FINANCING COMPANY MAY CHARGE AN ORIGINATION FEE
- 24 OF AN AMOUNT TO BE DETERMINED BY THE SUPERINTENDENT OF THE DEPARTMENT OF
- 25 FINANCIAL INSTITUTIONS, AND NOT TO EXCEED FIVE HUNDRED DOLLARS."
- 26

1 Page 2, between lines 24 and 25, insert:

2 "44-1382.03. Disclosures: penalty

3 CONSUMER LEGAL FINANCING TRANSACTIONS SHALL COMPLY WITH DISCLOSURE  
4 REQUIREMENTS AND BE SUBJECT TO PENALTIES PURSUANT TO SECTION 6-631.

5 44-1382.04. Annual report of consumer legal financing company: civil  
6 penalty for failure to file

7 A. ON OR BEFORE DECEMBER 1 OF EACH YEAR, A CONSUMER LEGAL FINANCING  
8 COMPANY SHALL FILE A REPORT UNDER OATH AND IN THE FORM PRESCRIBED BY THE  
9 SUPERINTENDENT OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS CONCERNING THE  
10 BUSINESS AND OPERATIONS DURING THE TWELVE MONTH PERIOD ENDING THE PRECEDING  
11 SEPTEMBER 30. ON GOOD CAUSE SHOWN BY A CONSUMER LEGAL FINANCING COMPANY, THE  
12 SUPERINTENDENT MAY EXTEND THE TIME FOR FILING THE REPORT FOR A PERIOD OF NOT  
13 MORE THAN SIXTY DAYS.

14 B. AT THE TIME OF MAKING ITS ANNUAL REPORT TO THE SUPERINTENDENT OF  
15 THE DEPARTMENT OF FINANCIAL INSTITUTIONS, EACH CONSUMER LEGAL FINANCING  
16 COMPANY SHALL REPORT THE FOLLOWING INFORMATION ON A FORM AND IN A MANNER  
17 PRESCRIBED BY THE SUPERINTENDENT:

18 1. THE CONSUMER LEGAL FINANCING COMPANY'S STANDARD ANNUAL PERCENTAGE  
19 RATE INCLUDING FEES OR RANGE OF ANNUAL PERCENTAGE RATES IN EFFECT FOR THE  
20 PRIOR YEAR.

21 2. THE PERCENTAGE OF DEFAULTS OR UNREIMBURSED CONSUMER LEGAL FINANCING  
22 AGREEMENTS.

23 3. A SUMMARY OF INFORMATION ON THE AMOUNT OF FINANCING INCLUDING THE  
24 INFORMATION THAT DESCRIBES OR CATEGORIZES THE DURATION OF AGREEMENTS.

25 C. ON AT LEAST AN ANNUAL BASIS, THE SUPERINTENDENT OF THE DEPARTMENT  
26 OF FINANCIAL INSTITUTIONS SHALL COMPILE A REPORT OF THE STANDARD ANNUAL  
27 PERCENTAGE RATE OR RANGE OF ANNUAL PERCENTAGE RATES OF EACH CONSUMER LEGAL  
28 FINANCING COMPANY FOR THE TYPES OF TRANSACTIONS DESCRIBED IN SUBSECTION A OF  
29 THIS SECTION. THE SUPERINTENDENT SHALL DISSEMINATE THIS REPORT IN A MANNER  
30 DEEMED APPROPRIATE BY THE SUPERINTENDENT, AND SHALL MAKE THE REPORT AVAILABLE  
31 TO THE PUBLIC FOR INSPECTION AND COPYING.

1           D. IF A CONSUMER LEGAL FINANCING COMPANY FAILS TO FILE THE ANNUAL  
2 REPORT, THE SUPERINTENDENT OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OR ANY  
3 PERSON DESIGNATED BY THE SUPERINTENDENT MAY EXAMINE THE BOOKS, ACCOUNTS AND  
4 RECORDS OF THE CONSUMER LEGAL FINANCING COMPANY, PREPARE THE ANNUAL REPORT  
5 AND CHARGE THE CONSUMER LEGAL FINANCING COMPANY AN EXAMINATION FEE AS  
6 PRESCRIBED IN SECTION 6-125.

7           E. IF A CONSUMER LEGAL FINANCING COMPANY FAILS TO FILE THE ANNUAL  
8 REPORT WITHIN THE SPECIFIED TIME, THE SUPERINTENDENT OF THE DEPARTMENT OF  
9 FINANCIAL INSTITUTIONS MAY ASSESS A CIVIL PENALTY FOR THE FAILURE TO FILE THE  
10 ANNUAL REPORT UNLESS AN EXTENSION OF TIME IS GRANTED BY THE SUPERINTENDENT IN  
11 WRITING BEFORE THE DUE DATE OF THE ANNUAL REPORT. THE SUPERINTENDENT SHALL  
12 NOT ASSESS A PENALTY OF MORE THAN FIVE HUNDRED DOLLARS PER DAY. THE CONSUMER  
13 LEGAL FINANCING COMPANY SHALL PAY THE PENALTY TO THE SUPERINTENDENT WITHIN  
14 THIRTY DAYS OF THE ASSESSMENT."

15 Amend title to conform

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1403-p1-allen  
3/25/15  
9:10 AM  
H:ajs