



SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1181 be amended to read as follows:

- 1 Page 28, between lines 31 and 32, begin a new paragraph and insert:
2 "SECTION 14. IC 24-4.5-7-110 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 110. "Monthly gross
4 income" means **a reasonably accurate estimate of** the income
5 received by the borrower in the thirty (30) day period preceding the
6 borrower's application for a small loan under this chapter, ~~and~~
7 exclusive of any **one (1) time** income, ~~other than regular gross pay~~
8 received; **based on the pay records or consumer report (as defined**
9 **in 15 U.S.C. 1681a(d)) of the borrower** or as otherwise determined by
10 the department.
11 SECTION 15. IC 24-4.5-7-402, AS AMENDED BY P.L.27-2012,
12 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2016]: Sec. 402. (1) A lender is prohibited from making a
14 small loan to a borrower if the total of:
15 (a) the principal amount and finance charges of the small loan to
16 be issued; plus
17 (b) any other small loan balances that the borrower has
18 outstanding with any lender;
19 exceeds twenty percent (20%) of the borrower's monthly gross income.
20 (2) A small loan may be secured by only one (1) check or
21 authorization to debit the borrower's account per small loan. The check
22 or electronic debit may not exceed the amount advanced to or on behalf
23 of the borrower plus loan finance charges contracted for and permitted.
24 (3) A borrower may make partial payments in any amount on the
25 small loan without charge at any time before the due date of the small
26 loan.
27 (4) After any payment is made on a small loan, whether the payment

1 is made in part or in full before, on, or after the due date of the small
2 loan, the lender shall give a signed and dated receipt to the borrower
3 making a payment showing the amount paid and the balance due on the
4 small loan.

5 (5) The lender shall provide to each borrower a copy of the required
6 loan documents before the disbursement of the loan proceeds.

7 (6) A borrower may rescind a small loan without cost by paying the
8 cash amount of the principal of the small loan to the lender not later
9 than the end of the business day immediately following the day on
10 which the small loan was made.

11 (7) A lender shall not enter into a renewal with a borrower. If a loan
12 is paid in full, a subsequent loan is not a renewal.

13 **(8) In determining whether to approve a small loan, a lender**
14 **may rely upon third party verification of all income considered,**
15 **including the borrower's consumer report (as defined in 15 U.S.C.**
16 **1681a(d)). The department may adopt rules under IC 4-22-2 to**
17 **establish standards for the use of consumer reports under this**
18 **subsection."**

19 Page 43, line 11, delete "licensees's" and insert "licensee's".

20 Renumber all SECTIONS consecutively.

(Reference is to EHB 1181 as printed February 26, 2016.)

Senator HOLDMAN