

Legislative Analysis



REPORT ON PAYDAY LOANS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4828 (H-1) as reported from committee

Sponsor: Rep. Cara Clemente

Committee: Financial Services

Complete to 6-16-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4828 would amend the Deferred Presentment Service Transactions Act to require the director of the Department of Insurance and Financial Services (DIFS) to submit, each year for seven years, a report on deferred presentment service transactions (commonly known as payday loans) to the House and Senate committees concerned with banking and financial services. DIFS would also have to post the report on its website.

The report would have to be submitted and posted on the DIFS website by March 31, 2022, and every following March 31 through March 31, 2028. The report would have to include all of the following:

- The number of persons engaged in the business of providing deferred presentment service transactions in Michigan during the immediately preceding calendar year.
- A general report on the business of providing deferred presentment service transactions in Michigan during the immediately preceding calendar year. This report would have to include information about the number of licensees, the number of customers, and the number and amount of transactions, reported in the following format:
 - A summary of the deferred presentment service transaction program fees received by DIFS.
 - Statewide statistics concerning transaction volumes by month, transaction amounts, fees, and averages, active license locations, the total number of customers of providers, and consumer usage of repayment plans.
 - Statistics, reported by county or zip code, concerning provider locations, identification of the county in which the zip code is located, transaction volumes, total amount of advances, total fees for advances, average advance amounts, average advance fees, and the total number of licensee locations.
- The number of complaints filed with DIFS against licensees and nonlicensees arising from transactions that took place in this state during the immediately preceding calendar year.
- Any additional information the director of DIFS considers relevant.

The bill would take effect 90 days after its enactment.

MCL 487.2171

BACKGROUND:

The bill as introduced was substantially similar to House Bill 5253 of the 2019-20 legislative session as that bill was passed by the House of Representatives.

FISCAL IMPACT:

House Bill 4828 would not have a significant fiscal impact on the Department of Insurance and Financial Services. The bill would require additional reporting from the department, but that activity would likely be sufficiently conducted utilizing existing department resources.

POSITIONS:

The following entities indicated support for the bill (5-26-21):

- Department of Insurance and Financial Services
- Michigan Bankers Association
- Michigan League for Public Policy

Legislative Analysts: E. Best
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Fiscal Analyst: Marcus Coffin

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