

Legislative Analysis



REPORTS ON PAYDAY LOANS

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House Bill 4828 as introduced
Sponsor: Rep. Cara Clemente
Committee: Financial Services
Complete to 5-12-21

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. The bill would also require DIFS to post a similar annual report on its website.

The committee report would have to be submitted by January 31, 2022, and every following January 31 through January 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, consumer usage of deferred presentment service transactions, and consumer usage of repayment plans.
 - Statistics, reported by 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 during the immediately preceding calendar year.

DIFS would have to publish the annual report on its website beginning January 31, 2022, and every following January 31 through January 31, 2028. This report would have to include, for the immediately preceding calendar year, the number of licensees, customers served, and transactions that took place in Michigan; the number of complaints against licensees and nonlicensees arising from transactions that took place in Michigan; and any additional information that the director of DIFS considered relevant.

The bill would take effect 90 days after its enactment.

MCL 487.2171

BACKGROUND:

The bill is a reintroduction of 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 such activity would likely be sufficiently conducted utilizing existing department resources.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.