

Committee on Banking and Insurance

CS/SB 626 — Consumer Credit

by Banking and Insurance Committee; and Senators Gaetz and Altman

The bill authorizes the Office of Financial Regulation to enforce the provisions of the federal Military Lending Act (MLA) for state-chartered financial institutions, consumer finance lenders, deferred presentment providers (payday lenders), and title loan lenders. The MLA provides greater consumer protections for service members and their dependents in connection with a broad range of consumer credit transactions, including consumer finance loans, payday loans, title loans, overdraft lines of credit, small dollar loans, and credit card accounts. The MLA caps the Military Annual Percentage Rate (MAPR) on these credit transactions at 36 percent, requires oral and written disclosures for the consumer, and prohibits certain terms and conditions on the loan, such as mandatory arbitration and prepayment penalties.

If approved by the Governor, these provisions take effect October 3, 2016.

Vote: Senate 37-0; House 117-0