The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/CS/CS/SB 260

INTRODUCER: Rules Committee; Judiciary Committee; Banking and Insurance Committee; and Senator Smith and others

SUBJECT: Financial Transactions

DATE: February 8, 2016 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	**Fav/CS**
2.	Brown	Cibula	JU	**Fav/CS**
3.	Johnson	Phelps	RC	**Fav/CS**
4.	Johnson	Knudson	BI	**Pre-meeting**

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/CS/SB 260 revises various laws on financial transactions.

Regulation of Check Cashers

This bill allows a check casher, as an alternative to obtaining a thumbprint when the payment instrument is presented for payment, to secure two additional forms of secondary identification. These secondary forms of credit include an employee identification card, credit or bank cards, a social security card, insurance cards, an identification card issued by an educational institution, a non-U.S. government identification card, a U.S. birth certificate, a permanent resident card, or another form of identification authorized by the Financial Services Commission. Current law requires a check casher cashing a payment instrument over $1,000 to obtain among other things, prescribed acceptable personal identification and a thumbprint of the customer when the payment instrument is presented.

Remittance Transfers

This bill clarifies that ch. 670, F.S., applies to funds transfers that are remittance transfers under the federal Electronic Funds Transfer Act (EFTA), unless the remittance transfer is also an electronic funds transfer under the EFTA. The bill also provides that the federal EFTA will

preempt ch. 670, F.S., in the event any inconsistency exists between ch. 670, F.S., and the EFTA regarding a funds transfer.

Cancellation of Mortgages

This bill reduces the period for cancellation of a mortgage from 60 days to 45 days after full payment of the amount due under a promissory note secured by a mortgage. The bill provides an additional requirement for open-end mortgages, requiring written notice from the borrower that he or she intends to close the mortgage. The provisions on mortgage cancellation do not apply to an open-end mortgage existing before July 1, 2016, if the loan agreement included procedures for cancelling the mortgage.

Consumer Finance Loans

The Florida Consumer Finance Act, administered by the Office of Financial Regulation, prohibits and imposes disciplinary action on any person who compensates another person for referring a loan applicant to a licensed consumer finance lender. This bill provides an exception to the prohibition, in instances in which an amount is not charged directly or indirectly to the borrower.

Convenience Fees on Credit Cards

Current law authorizes certain private colleges to impose a convenience fee on credit card payments made to the school for tuition, fees, and other student expenses. This bill extends the authority to charge a convenience fee to private schools offering K-12 education.

The effective date of the bill is July 1, 2016.

II. Present Situation:

Regulation of Check Cashers

The 2004 Check Clearing for the 21st Century Act,[1] known as the Check 21 Act, facilitated the creation of mobile remote deposit capture. This technology enables consumers to deposit checks to a checking account or reloadable prepaid card using a mobile device with an Internet connection and a camera. To initiate the transactions, consumers use a mobile banking application to take photos of both sides of endorsed paper checks and then submit the images to their banks or prepaid card companies through the application.

One potential outcome of this technology is that some consumers may perceive brick and mortar branches of financial institutions or money services businesses as less essential to their needs. According to a 2014 study, the size of this impact depends on the added convenience and potential cost savings of such technology, and if the account allows immediate access to funds.[2] However, with the increasing use of mobile check deposit technology comes an increasing risk of fraud relating to the check transaction, such as the presentment of the same check at multiple

[1] 12 U.S.C. s. 5001 *et seq.*
[2] Pew Charitable Trusts, *Terms and Conditions of Mobile Remote Deposit Capture*, (Nov. 2014).

channels—through a mobile application and retail establishment. Various risk mitigation strategies and technologies are being used to fight this type of check fraud.

In 2008, the Eighteenth Statewide Grand Jury released a report on check cashers.[3] The report noted that money laundering in check cashing is an enormous problem in Florida and involves hundreds of millions of dollars in illicit profits being laundered annually. The report notes that this laundering has facilitated hundreds of millions of dollars in Medicaid and Medicare fraud, workers' compensation fraud, and other criminal activities. The report notes that one of the biggest problems facing law enforcement in investigating these cases is their inability to identify who is cashing these checks at the check cashing stores.[4] Due to concerns raised in this report, the 2008 Legislature enacted significant reforms relating to the regulation of check cashers that were designed increase the regulation of MSB and provide greater deterrents against the laundering of illicit proceeds. As part of these 2008 changes,[5] s. 560.310, F.S., was amended to require a check casher to maintain or submit specified information when cashing a payment instrument that exceeds $2,000.[6] This information includes:

- Customer files, as prescribed by rule, on all customers who cash corporate payment instruments that exceed $1,000;
- A copy of the personal identification that bears a photograph of the customer used as identification and presented by the customer. Acceptable personal identification is limited to a valid driver license; a state identification card issued by any state of the United States or its territories or the District of Columbia, and showing a photograph and signature; a United States Government Resident Alien Identification Card; a passport; or a United States Military identification card; and
- A thumbprint of the customer taken by the licensee when the payment instrument is presented for negotiation or payment.[7]

South Florida continues to be one of seven designated High Risk Money Laundering and Related Crimes Areas (HIFCAs) in the United States. The HIFCAs are a means of concentrating law enforcement efforts at the federal, state, and local levels in high intensity money laundering zones.[8] In recent years, the State of Florida and IRS Criminal Investigation have also seen a significant increase in stolen identity refund fraud cases.

In July 2015, the federal Financial Crimes Enforcement Network (FinCEN) issued a geographic targeting order (GTO) for South Florida check cashers to temporarily enhance the identification requirements on customers cashing federal tax refund checks. South Florida has become a hotbed for stolen identity tax refund fraud. In a typical scheme, the criminal files a fraudulent tax return after stealing a victim's identity and then cashes the refund check at a local check casher. The criminal typically cashes the check using fake identification in an attempt to evade law enforcement.

[3] Eighteenth Statewide Grand Jury, Case No. SC 07-1128, Check Cashers: A Call for Enforcement (Mar. 2008).
[4] *Id.*
[5] Ch. 2008-177, Laws of Fla.
[6] Section 560.310(2), F.S., also requires licensees to submit specified information to the OFR check cashing database or electronic log, before entering into each check cashing transaction for cashing each payment instrument.
[7] In 2012, the thumbprint requirement was amended to require that the thumbprint be obtained when the payment instrument is presented. *See* 2012-85, Laws of Florida.
[8] See https://www.fincen.gov/law_enforcement/hifca/index.html (last visited Jan. 27, 2016).

The goal of the GTO was to make it much more difficult for these criminals to remain anonymous. The GTO required check cashers in Miami-Dade and Broward counties to obtain and record additional identifying information about customers cashing tax refund checks over $1,000. This included a copy of the customer's identification, a digital photograph of the customer taken at the time of the transaction, the customer's phone number, and in accordance with Florida law, the customer's thumbprint. According to FinCEN, such information plays a vital role in assisting law enforcements identify and prosecute the individuals behind stolen-identity tax refund fraud schemes. Check cashers subject to the GTO were required to comply with these requirements from August 3, 2015, through January 30, 2016.[9]

In Florida, the Office of Financial Regulation (OFR) is responsible for regulating money services businesses (MSBs) under ch. 560, F.S., which includes check cashers under part III of ch. 560, F.S. Check cashers are required to be licensed by the OFR if they cash payment instruments that exceed $2,000 per person per day. Licensees must meet state and federal requirements. For example, the federal Bank Secrecy Act of 1970, which establishes the regulatory framework to prevent and detect money laundering, requires MSBs to establish anti-money laundering programs, verify customer identification, and document information about transactions.

Section 832.075(1), F.S., states that "no person shall require, as a condition of acceptance of a check or share draft or as a means of identification, that the person presenting the check or draft provide a credit card number or credit card expiration date." Furthermore, "recording a credit card number or expiration date . . . in connection with the acceptance of a check . . . is a noncriminal violation as defined pursuant to s. 775.08, F.S., punishable by a fine of $250 for the first violation and $1,000 for the second or subsequent violation in accordance with the provisions of s. 775.083."

Federal Electronic Funds Transfer Act

In 1978, Congress enacted the federal Electronic Funds Transfers Act (EFTA) to protect individual consumers who are parties to electronic funds transfers.[10] Under the EFTA, an electronic funds transfer means any transfer of funds initiated through certain electronic means that authorize a financial institution to debit or credit a consumer's account.[11] Electronic funds transfers include:

- Transfers through automated teller machines (ATMs);
- Point-of-sale (POS) terminals;
- Automated clearinghouse (ACH) systems;
- Telephone bill-payment plans in which periodic or recurring transfers are contemplated;
- Remote banking programs; and
- Remittance transfers.

However, electronic funds transfers do not include transactions originated by paper instruments, such as checks, and certain other transfers set forth in the EFTA. The EFTA covers topics such

[9] https://www.fincen.gov/news_room/nr/pdf/20150713.pdf (last visited February 6, 2016).
[10] The EFTA is codified at 15 U.S.C. s. 1693 et seq. The EFTA is implemented in Regulation E at 12 C.F.R. pt. 1005.
[11] 15 U.S.C. s. 1693(7).

as disclosure of fees and limits, error resolution procedures, liability, preauthorized transfers, and receipts.

Uniform Commercial Code Article 4A and Chapter 670, F.S.

In 1989, the Uniform Law Commission adopted Uniform Commercial Code (UCC) Article 4A for the states' enactment, and described it as an essential statutory backdrop to promote uniformity, efficiency, and certainty by governing the rights and obligations among the commercial participants in funds transfers and allocating the risk of loss for unauthorized or improperly executed payment orders. At the time the original UCC Article 4A was drafted, the intent was to govern large, rapid money transfers, such as wire transfers, between the commercial parties to a funds transfer, keeping in mind that the primary objective of the EFTA is the provision of individual consumer rights.[12]

A majority of the states have adopted UCC Article 4A. In 1991, the Florida Legislature adopted the UCC Article 4A through the enactment of ch. 670, F.S. (act), relating to funds transfers.[13] The act defines "funds transfers" as a series of transactions that begin with the originator's payment order (an unconditional instruction to a bank to pay a fixed amount), made for making payment to the beneficiary of the order.[14] The funds transfer transaction includes the relationship between intermediary banks that execute and settle the payment order, and concludes upon the ultimate, actual payment to the beneficiary.

Frequently, the EFTA may partially apply to a funds transfer because the transfer is intended to credit a consumer's account in a financial institution. In these cases, the act does not apply to the funds transfer to the extent it is governed and preempted by the EFTA.[15]

Remittance Transfers

Consumers transfer tens of billions of dollars from the United States each year.[16] In the United States, remittance transfers sent by nondepository money transmitters, depository institutions, and credit unions are generally subject to federal anti-money laundering laws and restrictions on transfers to or from certain persons. Although remittances can be sent through depository institutions (such as an ACH transaction or a wire transfer), a large number of U.S. remittance transfers are sent through money transmitters, which are regulated primarily by state regulators. Chapter 560, F.S., governs nondepository money services businesses, which include "money transmitters" who receive and transmit currency or monetary value through a broad range of means within the U.S. or to or from the U.S.[17] However, ch. 560, F.S., is a regulatory statute

[12] 15 U.S.C. s.1693(b). *See also* Uniform Law Commission, *Why States Should Adopt UCC Article 4A*, at http://www.uniformlaws.org/Narrative.aspx?title=Why%20States%20Should%20Adopt%20UCC%20Article%204A
[13] Ch. 91-70, Laws of Fla.
[14] Sections 670.103(1)(c) and 670.104(1), F.S.
[15] Section 670.108, F.S., Business Law Section of the Florida Bar, *White Paper in Support of the Proposed Amendment to UCC Section 670.108* (on file with the Senate Committee on Judiciary).
[16] 77 FR 6194 (Feb. 11, 2012).
[17] Section 560.103(23), F.S.

administered by the Office of Financial Regulation and does not contain specific consumer protections or private remedies.[18]

On the federal level, wire transfers and transfers sent by money transmitters have generally fallen outside of the scope of the EFTA and its implementing rule, Regulation E. Until 2010, no federal consumer protection law directly regulated foreign remittance transfers, which can be sent through depository institutions as well as money transmitters. In 2010, the federal Dodd-Frank Wall Street Reform and Consumer Protection Act[19] was signed into law. Among many changes, Dodd-Frank amended the EFTA to create new compliance requirements for remittance transfers.[20] The rule defines a "remittance transfer" to mean the electronic transfer of funds requested by a sender to a designated recipient that is sent by a remittance transfer provider. The term applies regardless of whether the sender holds an account with the remittance transfer provider, and regardless of whether the transaction is an electronic fund transfer.[21] Similar to the other consumer protections in the EFTA, these new remittance regulations require certain protections for the sending consumer, including disclosures, error resolution procedures, cancellation and refund policies, and a remittance transfer provider's liability for the acts of its agents.

Under the EFTA, not all remittance transfers qualify as an "electronic funds transfer," raising questions about the applicability of the EFTA. This could occur, for example, if the transfer permits payment in cash and does not instruct nor authorize a financial institution to credit a consumer account in a financial institution. The Uniform Law Commission expressed concern that absent a change to UCC Article 4A, there could be legal uncertainty for some remittance transfers currently governed by Article 4A, particularly for industry participants.[22] The Consumer Financial Protection Bureau, in its proposed remittance transfer rules (Regulation E), also noted the uncertainty raised for traditional cash-based remittances sent through money transmitters (which have not been covered by the EFTA) and international wire transfers, which are not electronic funds transfers.[23]

In 2012, the Uniform Law Commission proposed an amendment to UCC Article 4. A majority of states have adopted this amendment.[24] The amendment provides an affirmative statement of the act's applicability to remittance transfers that are not electronic funds transfers under the EFTA. Without this amendment, neither the federal EFTA nor UCC Article 4A (as codified in the act)

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[18] Ch. 560, F.S., requires money transmitter licensees to maintain a corporate surety bond or a collateral deposit to ensure a source of recovery for aggrieved claimants. Section 560.209, F.S.
[19] Pub. L. 111-203, H.R. 4173, commonly referred to as "Dodd-Frank."
[20] Section 1073 of Dodd-Frank created Section 919 of the EFTA, relating to remittance transfers. Section 919 is codified at 15 U.S.C. s. 1693o-1. Dodd-Frank transferred EFTA rulemaking authority from the Board of Governors of the Federal Reserve System to the Consumer Financial Protection Bureau (CFPB). The CFPB's remittance transfer rule became effective on October 28, 2013. The CFPB's final remittance transfer rule was codified as new subpart B to Regulation E, 12 C.F.R. ss. 1005.30-1005.36.
[21] 12 CFR s. 1005.30(e).
[22] Uniform Law Commission, *UCC Article 4A Amendments (2012) Summary*, at http://www.uniformlaws.org/ActSummary.aspx?title=UCC%20Article%204A%20Amendments%20(2012).
[23] Electronic Fund Transfers (Regulation E), Final Rule and Proposed Rule, 77 FR 6211-6212 (Feb. 7, 2012) (codified at 12 C.F.R. pt. 1005).
[24] Uniform Law Commission, *UCC Article 4A Amendments (2012): Enactment Status Map*, at http://www.uniformlaws.org/Act.aspx?title=UCC Article 4A Amendments (2012) (last visited Jan. 7, 2016).

will apply to some aspects of remittance transfers, and the result would be no statutory rules for remittance transfers that may involve mistaken addresses or payees, duties of intermediaries, and other issues beyond the initial sending of the transfer.[25]

Cancellation of Mortgages

Under current law, a lender must cancel a mortgage within 60 days after it has been paid in full.[26] The statute does not distinguish as to different types of mortgages, such as open-end mortgages and home equity lines of credit, and does not provide any exceptions. The Florida Statutes do not define the term, "open-end mortgages." In the context of the financial services industry, these products generally allow borrowers to draw cash, up to the maximum credit limit, and then as the borrower pays down the balance of the loan, the borrower can draw cash again up to the limit. A home equity line of credit is a form of revolving credit in which the home serves as collateral. In contrast, "closed-end mortgages" disburse the entire loan amount upfront to or on behalf of the borrower and do not allow future redraws of credit.[27]

According to the Florida Bankers Association, open-end lines of credit provide flexibility to consumers by allowing continual access to their home equity by paying the mortgage in full and then having the ability to access the equity when and if it is needed again by the consumer. Under current law, lenders must cancel "any mortgage" upon payoff and must release the lien without exception. This undermines the purpose of open-end mortgages and creates costly and burdensome work for both the consumer and the lender each time the consumer seeks new access to credit secured by the home.[28] Surrounding states such as Alabama, Georgia, Mississippi, and North Carolina have laws requiring that open-end mortgages and similar lines of credit be cancelled only upon the borrower's full payment and written notice to the lender requesting termination of the open-end mortgage.[29]

Consumer Finance Loans

The Division of Consumer Finance of the Florida Office of Financial Regulation (OFR) is responsible for the licensure and regulation of nondepository financial service entities and individuals. One of the regulatory programs, administered by OFR, is the Florida Consumer Finance Act (act),[30] which sets forth licensing requirements for consumer finance lenders and the terms and conditions under which a consumer finance loan is permitted in Florida. The act sets forth maximum interest rates for a consumer finance loan, which is a loan of money, credit,

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[25] Uniform Law Commission, *supra* note 13.
[26] Section 701.03, F.S.
[27] Consumer Financial Protection Bureau, *Ask CFPB: What is a second mortgage loan or "junior-lien"?* Available at http://www.consumerfinance.gov/askcfpb/105/what-is-a-second-mortgage-loan-or-junior-lien.html Additionally, Regulation Z, which implements the federal Truth in Lending Act, defines "open-end credit" as "consumer credit extended by a credit under a plan in which: (1) The creditor reasonably contemplates repeated transactions; (2) The creditor may impose a finance charge from time to time on an outstanding unpaid balance; and (3) The amount of credit that may be extended to the consumer during the term of the plan (up to any limit set by the creditor) is generally made available to the extent that any outstanding balance is repaid. 12 C.F.R. s. 226.2(20).
[28] E-mail from the Florida Bankers Association, SB 260, Financial Transactions (Sept. 28, 2015) (on file with Senate Committee on Banking and Insurance).
[29] Ala. Code 1975 s. 35-10-26; Ga. Code Ann. s. 44-14-3; Miss. Code Ann. s. 89-5-21; N.C.G.S.A. s. 45-36.9.
[30] Ch. 516, F.S.

goods, or a provision of a line of credit, in an amount or to a value of $25,000 or less at an interest rate greater than 18 percent per annum.[31]

The act provides the grounds for denial of a license of other disciplinary action by the OFR. In particular, s. 516.07(1)(k), F.S, provides that it is grounds for administrative action, for any person to pay money or anything else of value, either directly or indirectly, to any person as compensation, inducement, or reward for referring a loan applicant to a licensed consumer finance lender.

Convenience Fees on Credit Cards

Current law generally prohibits a seller or a lessor from imposing a surcharge on credit card purchases.[32] Charges that are exempt from the prohibition include charges imposed pursuant to an approved state or federal tariff and convenience fees imposed by an institution of higher learning that is eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program.[33]

III. Effect of Proposed Changes:

Regulation of Check Cashers

Current law requires a check casher cashing a payment instrument over $1,000 to obtain, among other things, a thumbprint of the customer when the payment instrument is presented. The check casher is also required to obtain a copy of an acceptable personal identification, which is limited to a valid driver's license, a state identification card issued by any state of the United States or its territories or the District of Columbia, a United States Government Resident Alien identification card, a passport, or a United States military identification card. This bill would allow the check casher, as an alternative to obtaining a thumbprint, to secure two additional forms of secondary identification. These types of identification would include an employee identification card, credit or bank cards, a social security card, insurance cards, an identification card issued by an educational institution, a non-U.S. Government identification card, a U.S. birth certificate, a permanent resident card, or another form of identification as authorized by the commission. (Section 560.310, F.S.)

Remittance Transfers

Current law is silent regarding whether the state Uniform Commercial Code: Funds Transfers law (chapter 670, F.S.) applies to a funds transfer that is a remittance transfer under the federal Electronic Funds Transfer Act. This bill adopts the federal Uniform Law Commission's 2012 amendment, which clarifies that the act applies to funds transfers that are remittance transfers as

[31] Section 516.01(2), F.S.
[32] Section 501.0117(1), F.S.
[33] An independent nonprofit institution of higher learning may qualify for the Florida Resident Access Grant Program if the institution:
- Is located in and chartered by the state;
- Is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools;
- Grants baccalaureate degrees; and
- Has a secular purpose (s. 1009.89(3), F.S.).

defined in the EFTA, unless the remittance transfer is an electronic funds transfer, which would be covered by EFTA. The bill provides that if there is any inconsistency between a funds transfer under the act and the EFTA, the EFTA will govern the inconsistency. This provision is consistent with language in the EFTA providing that state law is preempted only if it is inconsistent with the EFTA or Regulation E, and then only to the extent of the inconsistency.[34] (Section 670.108)

Cancellation of Mortgages

Current law requires a mortgage lender to cancel a mortgage within 60 days after it has been paid in full. Current law treats all types of mortgages the same for purposes of mortgage cancellation. This bill reduces the period for cancellation of a mortgage from 60 days to 45 days after full payment of the amount due under a promissory note secured by a mortgage. The bill provides an additional requirement for open-end mortgages. Mortgage cancellation on an open-end mortgage requires written notice from the borrower that he or she intends to close the mortgage. Upon receipt of the notice, the mortgagee or assignee shall cancel the mortgage within 45 days. The provisions on mortgage cancellation do not apply to an open-end mortgage existing before July 1, 2016, if the loan agreement included procedures for cancelling the mortgage. (Section 701.03, F.S.)

Consumer Finance Loans

The Florida Consumer Finance Act prohibits and imposes disciplinary action on any person who pays money or anything of value to a person for referring a loan applicant to a licensed consumer finance lender. This bill provides an exception to the prohibition, in instances in which an amount is not charged directly or indirectly to the borrower. (Section 516.07, F.S.)

Convenience Fees on Credit Cards

Current law authorizes certain private colleges to impose a convenience fee on credit card payments made to the school for tuition, fees, and other student expenses. This bill extends the authority to charge a convenience fee to private schools offering kindergarten through grade 12 education.[35] (Section 510.0117, F.S.)

This bill is effective July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

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[34] 15 U.S.C. s. 1693q.

[35] A private school is a nonpublic school which offers kindergarten through grade 12 education. A private school may be any religious, for-profit, or nonprofit school, which is not a home education program. Section 1002.01(2), F.S.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill's clarification of the coverage of ch. 670, F.S., to remittance transfers may provide greater operational efficiency for remittance transfer providers and intermediary institutions. In addition, the bill's provision to allow an open-end mortgage to remain open after a borrower pays off the amount due under a promissory note secured by a mortgage may reduce administrative costs for lenders and borrowers.

The bill's extension of authority to private kindergarten through grade 12 schools to charge convenience fees on credit card purchases would benefit the private schools. Private schools would be able to impose a convenience fee up to the amount charged by credit card companies per transaction. Parents of children enrolled at private kindergarten through grade 12 schools would now have to pay convenience fees if they use a credit card to purchase tuition, fees, or other charges on student accounts.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

The bill would allow a check casher, as an alternative to the requirement of obtaining a thumbprint, to obtain two additional forms of secondary identification that includes credit or bank cards. This provision may conflict with s. 832.075(1), F.S., which states that "no person shall require, as a condition of acceptance of a check or share draft or as a means of identification, that the person presenting the check or draft provide a credit card number or credit card expiration date." Furthermore, "recording a credit card number or expiration date . . . in connection with the acceptance of a check . . . is a noncriminal violation as defined pursuant to s. 775.08 punishable by a fine of $250 for the first violation and $1,000 for the second or subsequent violation in accordance with the provisions of s. 775.083."

VII. Related Issues:

According to the OFR, the use of secondary identification cards as an alternative to a thumbprint effectively unwinds the efforts made by the 2008 Florida Legislature to enhance the regulation of the growing check cashing industry by imposing greater scrutiny and regulation of check cashing transactions. The alternative forms of identification permitted by the amendment could be easily fabricated or stolen.[36]

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 501.0117, 516.07, 560.310, 670.108, and 701.03.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS/CS by Rules on January 27, 2016:
The bill allows a check casher, as an alternative to obtaining a thumbprint when cashing a payment instrument over $1,000, to obtain two additional forms of secondary identification.

CS/CS by Judiciary on January 20, 2016:
The bill expands the current ability of certain private schools to charge convenience fees on the use of a credit card to pay tuition, fees, or other student account charges.

CS by Banking and Insurance on January 11, 2016:
The CS:

- Allows a licensed consumer finance lender to pay compensation to any person for referring loan applicants to a licensee, only if such amount is not charged directly or indirectly to the borrower.
- Requires a lender to cancel a mortgage within 45 days instead of 60 days if certain conditions are met.
- Provides that s. 701.03, F.S., relating to the cancellation of mortgages, does not apply to any existing or future open-end mortgage unless otherwise stated in the loan agreement.
- Clarifies that the act applies to remittance transfers made on or after July 1, 2016, the effective date of the bill.

B. Amendments:

None.

[36] Office of Financial Regulation, *2016 Agency Legislative Bill Analysis* (Jan. 27, 2016).