A bill to be entitled

An act relating to consumer finance loans; creating s. 516.40, F.S.; establishing the Access to Responsible Credit Pilot Program within the Office of Financial Regulation; providing legislative findings and intent; creating s. 516.41, F.S.; defining terms; creating s. 516.42, F.S.; prohibiting a person from certain actions related to program loans unless the person obtains a pilot program license from the office; providing criteria for participation in the pilot program; specifying application requirements and fees; providing for construction; specifying a renewal fee; providing that only one pilot program license is required for a person to make program loans; requiring licensure of branch offices of a program licensee; specifying application requirements and fees for a program branch office license; requiring program branch office licenses to be renewed biennially and specifying a branch office renewal fee; creating s. 516.43, F.S.; providing requirements, limitations, and prohibitions relating to program loans and the refinancing of program loans; authorizing licensees to provide certain documents in the language in which the loan was negotiated; requiring a program licensee to pay for certain translation costs incurred by the office; requiring a program licensee to provide specified disclosures; authorizing a program licensee to contract for and receive a specified origination fee from a borrower on a program loan; specifying...
methods for collecting the origination fee; specifying
limitations on the amount and frequency of the
origination fee; authorizing a program licensee to
collect specified insufficient funds fees and
delinquency charges; providing that program licensees
or their wholly owned subsidiaries may not sell or
assign unpaid debts to independent third parties for
collection purposes unless the debt has been
delinquent for a specified timeframe; requiring
program licensees to direct borrowers to certain
credit counseling services or provide certain credit
education to borrowers before disbursing program loan
proceeds; requiring program licensees to report
borrowers’ payment performance to at least one
specified consumer reporting agency; defining the term
“consumer reporting agency that compiles and maintains
files on consumers on a nationwide basis”; prohibiting
the office from approving a person for the program
before the person is accepted as a data furnisher by a
consumer reporting agency; requiring program licensees
to provide borrowers with the names of consumer
reporting agencies that payment histories are reported
to; requiring a program licensee to underwrite each
program loan; prohibiting a program licensee from
making a program loan under certain circumstances;
providing underwriting procedures and requirements;
prohibiting a program licensee from requiring certain
waivers from a borrower or from certain acts against a
borrower who refuses certain waivers; providing
applicability and construction; creating s. 516.44, F.S.; requiring arrangements between a program licensee and a referral partner to be specified in a written agreement; providing requirements for such agreement; specifying authorized services of referral partners; providing requirements for a referral partner who accepts program loan payments from a borrower; providing construction; prohibiting referral partners from performing specified activities; requiring a referral partner to provide a specified notice to an applicant for a program loan and certain assistance to the applicant under certain circumstances; specifying requirements, limitations, and prohibitions for the compensation of a referral partner by a program licensee; requiring a program licensee to provide, within a certain timeframe, a specified notice to the office after entering into a contract with a referral partner; requiring a referral partner to provide, within a specified timeframe, written notice to the program licensee of changes to certain information; providing that program licensees are responsible for the acts of referral partners which are in violation of ch. 516, F.S.; requiring a program licensee to pay a specified fee to the office to file a referral partner notice; requiring the Financial Services Commission to adopt rules; creating s. 516.45, F.S.; requiring the office, beginning on a specified date, to examine program licensees at specified intervals; providing an exception; requiring
program licensees to pay the cost of examinations; authorizing the office to maintain an action for recovery of such cost; authorizing a method to determine the cost of examinations; providing a limitation to the scope of investigations or examinations; providing that a program licensee is subject to certain disciplinary actions for certain violations; authorizing the office to take certain disciplinary actions; creating s. 516.46, F.S.; requiring a program licensee, beginning on a certain date, to file a specified annual report with the office; requiring the office to post, by a certain date, a report to its website summarizing the use of the program; specifying information to be contained in the office’s report; providing for conditional future repeal of the program; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 516.40, Florida Statutes, is created to read:

516.40 Access to Responsible Credit Pilot Program.—
(1) There is established within the Office of Financial Regulation the Access to Responsible Credit Pilot Program. (2) The Legislature finds that demand for responsible consumer finance loans in principal amounts of at least $300 and no more than $10,000 exceeds the supply of these loans. As a first step toward addressing this gap, the Access to Responsible Credit Pilot Program would allow more Floridians to obtain
responsible consumer finance loans of at least $300 and no more than $10,000. The pilot program is also intended to assist consumers in building their credit and has additional consumer protections for these loans which exceed current protections under general law.

Section 2. Section 516.41, Florida Statutes, is created to read:

516.41 Definitions for ss. 516.40-516.46.—As used in ss. 516.40-516.46, the term:

(1) “Consumer reporting agency” has the same meaning as in s. 603(p) of the Fair Credit Reporting Act, 15 U.S.C. s. 1681a(p).

(2) “Credit score” has the same meaning as in s. 609(f)(2)(A) of the Fair Credit Reporting Act, 15 U.S.C. s. 1681g(f)(2)(A).

(3) “Data furnisher” has the same meaning as the term “furnisher” in 12 C.F.R. s. 1022.41(c).

(4) “Pilot program” or “program” means the Access to Responsible Credit Pilot Program.

(5) “Pilot program license” means a license issued under ss. 516.40-516.46 authorizing a program licensee to make and collect program loans.

(6) “Program branch office” means a location, other than a program licensee’s or referral partner’s principal place of business:

(a) The address of which appears on business cards, stationery, or advertising used by the program licensee in connection with business conducted under this chapter;

(b) At which the program licensee’s name, advertising or
(c) At which program loans are originated, negotiated, funded, or serviced by a program licensee.

(7) “Program licensee” means a person who is licensed to make and collect program loans under this chapter and who is approved by the office to participate in the program.

(8) “Program loan” means a consumer finance loan with a principal amount of at least $300 and no more than $10,000 originated pursuant to ss. 516.40-516.44, excluding the amount of the origination fee authorized under s. 516.43(3).

(9) “Referral partner” means an entity that, at the referral partner’s physical location for business or through other means, performs one or more of the services authorized in s. 516.44(2) on behalf of a program licensee. A referral partner is not a credit service organization as defined in s. 817.7001 or a loan broker as defined in s. 687.14.

(10) “Refinance program loan” means a program loan that extends additional principal to a borrower and replaces and revises an existing program loan contract with the borrower. A refinance program loan does not include an extension, a deferral, or a rewrite of the program loan.

Section 3. Section 516.42, Florida Statutes, is created to read:

516.42 Requirements for program participation; program application requirements; fees.—

(1) A person may not advertise, offer, or make a program loan or impose any charges or fees pursuant to s. 516.43 unless the person first obtains a pilot program license from the
(2)(a) In order to participate in the program, a person must meet the following criteria:

1. Be licensed to make consumer finance loans under s. 516.05.
2. Not be the subject of any insolvency proceeding.
3. Not be subject to the issuance of a cease and desist order; the issuance of a removal order; the denial, suspension, or revocation of a license; or any other action within the authority of the office or other financial regulatory agency in this state.
4. Not have a deficiency at the time of the person’s application.
5. Pay a nonrefundable application fee of $1,000 to the office at the time of making the application, pursuant to rule of the commission.

(b) A program applicant shall file with the office a digital application, in a form and manner prescribed by commission rule, which contains all of the following information with respect to the applicant:

1. The legal business name and any other name the applicant operates under.
2. The applicant’s main address.
3. The telephone number and e-mail address of the applicant.
4. The address of any program branch office.
5. The name, title, address, telephone number, and e-mail address of the contact person for the applicant.
6. The applicant’s license number, if the applicant is
licensed under this chapter.

7. A statement as to whether the applicant intends to use
the services of one or more referral partners under s. 516.44.

8. A statement that the applicant has been accepted as a
data furnisher by a consumer reporting agency and will report to
a consumer reporting agency the payment performance of each
borrower on all loans made under the program.

9. The signature and certification of an authorized person
of the applicant.

(3) A person who desires to participate in the program but
who is not licensed to make consumer finance loans pursuant to
s. 516.05 must concurrently submit the following digital
applications to the office, in the form and manner specified in
this chapter:

(a) An application and fee pursuant to s. 516.03 for
licensure to make consumer finance loans; and

(b) An application and fee for admission to the program in
accordance with subsection (2).

(4) Except as otherwise provided in ss. 516.40-516.46, a
program licensee is subject to all of the laws and rules
governing consumer finance loans under this chapter.

(5) A program licensee shall pay a nonrefundable biennial
renewal fee of $1,000 pursuant to commission rule.

(6) Notwithstanding s. 516.05(3), only one pilot program
license is required for a person to make program loans under ss.
516.40-516.46, regardless of whether the program licensee offers
program loans to prospective borrowers at its own physical
business locations, through referral partners, or through an
electronic access point through which a prospective borrower may
directly access the website of the program licensee.

(7) Each branch office of a program licensee must be licensed under this section.

(8) The office shall issue a program branch office license to a program licensee after the office determines that the program licensee submitted a completed electronic application for a program branch office license in a form prescribed by commission rule and paid an initial nonrefundable program branch office license fee of $30 per branch office as prescribed by rule of the commission. Application fees may not be prorated for partial years of licensure. The program branch office license must be issued in the name of the program licensee that maintains the branch office. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form and the required fees. The application for a program branch office license must contain the following information:

(a) The legal business name and any other name the applicant operates under.

(b) The applicant’s main address.

(c) The applicant’s telephone number and e-mail address.

(d) The address of each program branch office.

(e) The name, title, address, telephone number, and e-mail address of the contact person for the applicant.

(f) The applicant’s license number, if the applicant is licensed under this chapter.

(g) The signature and certification of an authorized person of the applicant.

(9) A program branch office license must be renewed
biennially at the time of program license renewal under subsection (5). A nonrefundable branch renewal fee of $30 per program branch office, by commission rule, must be submitted at the time of renewal.

Section 4. Section 516.43, Florida Statutes, is created to read:

516.43 Requirements for program loans.—
(1) GENERAL REQUIREMENTS.—A program licensee shall comply with each of the following requirements in making program loans:
   (a) A program loan must be unsecured.
   (b) A program loan must have a minimum term of 120 days and a maximum term of 60 months, but it may not impose a prepayment penalty.
   (c) A program loan must be repayable by the borrower in substantially equal periodic installments, except that the final payment may be less than the amount of the prior installments. Installments may be due every 2 weeks, semimonthly, or monthly.
   (d) A program loan must include a borrower’s right to rescind the program loan by notifying the program licensee of the borrower’s intent to rescind the program loan and return the principal advanced by the end of the business day after the day the program loan is consummated.
   (e) Notwithstanding s. 516.031, the maximum annual interest rate that may be charged on a program loan to the borrower on that portion of the unpaid principal balance of the program loan:
      1. Up to and including $3,000 is 36 percent.
      2. Over $3,000, and up to and including $4,000, is 30 percent.
3. Over $4,000, and up to and including $10,000, is 24 percent.

The original principal amount of the program loan is equal to the amount financed as defined by the federal Truth in Lending Act and Regulation Z of the federal Consumer Financial Protection Bureau. In determining compliance with the statutory maximum interest rates in this paragraph, the computations used must be simple interest, through the application of a daily periodic rate to the actual unpaid principal balance each day, and may not be add-on interest or any other computations.

(f) If two or more interest rates are applied to the principal amount of a program loan, the licensee may charge, contract for, and receive interest at that single annual percentage rate that, if applied according to the actuarial method to each of the scheduled periodic balances of principal, would produce at maturity the same total amount of interest as would result from the application of the two or more rates otherwise permitted, based upon the assumption that all payments are made as agreed.

(g) The program licensee must reduce the rate on each subsequent program loan to the same borrower by a minimum of one-twelfth of 1 percent per month, if all of the following conditions are met:

1. The subsequent program loan is originated no more than 180 days after the prior program loan is fully repaid.
2. The borrower was never more than 15 days delinquent on the prior program loan.
3. The prior program loan was outstanding for at least one-
half of its original term before its repayment.

(h) A program licensee may not induce or permit any person to become obligated to the program licensee, directly or contingently, or both, under more than one program loan at the same time with the program licensee.

(i) A program licensee may not refinance a program loan unless all of the following conditions are met at the time the borrower submits an application to refinance:

1. The principal amount payable does not include more than 60 days of unpaid interest accrued on the previous program loan in accordance with s. 516.031(5);

2. For program loans with an original term of less than 25 months, the borrower has repaid at least 60 percent of the outstanding principal remaining on his or her existing program loan;

3. For program loans with an original term of greater than 25 months but no more than 60 months, the borrower has made current payments for at least 9 months on his or her program loan;

4. The borrower is current on his or her outstanding program loan; and

5. The program licensee has underwritten the new program loan in accordance with subsection (7).

(j) In lieu of the provisions of s. 687.08, a program licensee or, if applicable, its approved referral partner shall make available to the borrower by either electronic or physical means a plain and complete receipt of payment at the time that a payment is made by the borrower. For audit purposes, a program licensee shall maintain an electronic record for each receipt.
made available to a borrower, which must include a copy of the receipt and the date and time that the receipt was generated. Each receipt of payment must show all of the following:

1. The name of the borrower.
2. The name of the referral partner, if applicable.
3. The total payment amount received.
4. The date of payment.
5. The program loan balance before and after application of the payment.
6. The amount of the payment that was applied to the principal, interest, and fees.
7. The type of payment made by the borrower.
8. The following statement, prominently displayed in a type size equal to or greater than the type size used to display the other items on the receipt: “If you have any questions about your loan now or in the future, you should direct those questions to ...(name of program licensee)... by ...(at least two different ways in which a borrower may contact the program licensee)....”

(2) WRITTEN DISCLOSURES.—

(a) Notwithstanding s. 516.15(1), the loan contract and all written disclosures and statements may be provided in English or in the language in which the loan is negotiated. A program licensee shall pay for any translation costs incurred by the office.

(b) A program licensee shall provide those disclosures required of all licensees in s. 516.15.

(3) ORIGINATION FEES.—

(a) Notwithstanding s. 516.031, a program licensee may...
contract for and receive an origination fee from a borrower on a
program loan. The program licensee may either deduct the
origination fee from the principal amount of the loan disbursed
to the borrower or capitalize the origination fee into the
principal balance of the loan. The origination fee is fully
earned and nonrefundable immediately upon the making of the
program loan and may not exceed the lesser of 6 percent of the
principal amount of the program loan made to the borrower,
exclusive of the origination fee, or $75.

(b) A program licensee may not charge a borrower an
origination fee more than twice in any 12-month period.

(4) INSUFFICIENT FUNDS FEES AND DELINQUENCY CHARGES.—
Notwithstanding s. 516.031, a program licensee approved by the
office to participate in the program may:

(a) Require payment from a borrower of no more than $20 for
fees incurred by the program licensee from a dishonored payment
due to insufficient funds of the borrower.

(b) Notwithstanding s. 516.031(3)(a)9., contract for and
receive a delinquency charge of up to $15 for each calendar
month for each payment in default for at least 10 days, if the
charge is agreed upon in writing between the parties before it
is imposed.

The program licensee, or any wholly owned subsidiary of the
program licensee, may not sell or assign an unpaid debt to an
independent third party for collection purposes unless the debt
has been delinquent for at least 30 days.

(5) CREDIT EDUCATION.—Before disbursement of program loan
proceeds to the borrower, the program licensee must:
(a) Direct the borrower to the consumer credit counseling services offered by an independent third party; or

(b) Provide a credit education program or materials to the borrower. A borrower is not required to participate in any of these education programs or seminars. A credit education program or seminar offered pursuant to this subsection must be provided at no cost to the borrower.

(6) CREDIT REPORTING.—

(a) The program licensee shall report each borrower’s payment performance to at least one consumer reporting agency that compiles and maintains files on consumers on a nationwide basis. As used in this section, the term “consumer reporting agency that compiles and maintains files on consumers on a nationwide basis” has the same meaning as in s. 603(p) of the Fair Credit Reporting Act, 15 U.S.C. s. 1681a(p).

(b) The office may not approve a person for the program before the person has been accepted as a data furnisher by a consumer reporting agency.

(c) The program licensee shall provide each borrower with the name or names of the consumer reporting agency or agencies to which it will report the borrower’s payment history.

(7) PROGRAM LOAN UNDERWRITING.—

(a) The program licensee shall underwrite each program loan to determine a borrower’s ability and willingness to repay the program loan pursuant to the program loan terms. The program licensee may not make a program loan if it determines that the borrower’s total monthly debt service payments at the time of origination, including the program loan for which the borrower is being considered and all outstanding forms of credit that can
be independently verified by the program licensee, exceed 35 percent of the borrower’s gross monthly income.

(b)1. The program licensee shall seek information and documentation pertaining to all of a borrower’s outstanding debt obligations during the loan application and underwriting process, including loans that are self-reported by the borrower but not available through independent verification. The program licensee shall verify such information using a credit report from at least one consumer reporting agency that compiles and maintains files on consumers on a nationwide basis or through other available electronic debt verification services that provide reliable evidence of a borrower’s outstanding debt obligations.

2. The program licensee is not required to consider loans made to a borrower by friends or family in determining the borrower’s debt-to-income ratio.

(c) The program licensee shall also verify the borrower’s income in determining the debt-to-income ratio using information from:

1. Electronic means or services that provide reliable evidence of the borrower’s actual income; or

2. Internal Revenue Service Form W-2, tax returns, payroll receipts, bank statements, or other third-party documents that provide reasonably reliable evidence of the borrower’s actual income.

(8) PROVISIONS ON WAIVERS.—

(a) A program licensee may not require, as a condition of providing the program loan, that the borrower:

1. Waive any right, penalty, remedy, forum, or procedure
provided for in any law applicable to the program loan,
including the right to file and pursue a civil action or file a
complaint with or otherwise communicate with the office, any
court, or other governmental entity.

2. Agree to the application of laws other than those of
this state.

3. Agree to resolve disputes in a jurisdiction outside of
this state.

(b) A waiver that is required as a condition of doing
business with the program licensee is presumed involuntary,
unconscionable, against public policy, and unenforceable.

(c) A program licensee may not refuse to do business with
or discriminate against a borrower or an applicant on the basis
of the borrower’s or applicant’s refusal to waive any right,
penalty, remedy, forum, or procedure, including the right to
file and pursue a civil action or complaint with, or otherwise
notify, the office, a court, or any other governmental entity.
The exercise of a person’s right to refuse to waive any right,
penalty, remedy, forum, or procedure, including a rejection of a
contract requiring a waiver, does not affect any otherwise legal
terms of a contract or an agreement.

(d) This subsection does not apply to any agreement to
waive any right, penalty, remedy, forum, or procedure, including
any agreement to arbitrate a claim or dispute, after a claim or
dispute has arisen. This subsection does not affect the
enforceability or validity of any other provision of the
contract.

Section 5. Section 516.44, Florida Statutes, is created to
read:
516.44 Referral partners.—

(1) REFERRAL PARTNER AGREEMENT.—All arrangements between a program licensee and a referral partner must be specified in a written referral partner agreement between the parties. The agreement must contain a provision that the referral partner agrees to comply with this section and all rules adopted under this section regarding the activities of referral partners, and that the office has access to the referral partner’s books and records pertaining to the referral partner’s operations under the agreement with the program licensee in accordance with s. 516.45(4) and the office may examine the referral partner pursuant to s. 516.45.

(2) AUTHORIZED SERVICES.—A program licensee may use the services of one or more referral partners as provided in this section. A referral partner may perform one or more of the following services for a program licensee:

(a) Distributing, circulating, using, or publishing printed brochures, flyers, fact sheets, or other written materials relating to program loans that the program licensee may make or negotiate. The written materials must be reviewed and approved in writing by the program licensee before being distributed, circulated, used, or published.

(b) Providing written factual information about program loan terms, conditions, or qualification requirements to a prospective borrower which has been prepared by the program licensee or reviewed and approved in writing by the program licensee. A referral partner may discuss the information with a prospective borrower in general terms.

(c) Notifying a prospective borrower of the information
needed in order to complete a program loan application.

    (d) Entering information provided by the prospective
borrower on a preprinted or an electronic application form or in
a preformatted computer database.

    (e) Assembling credit applications and other materials
obtained in the course of a credit application transaction for
submission to the program licensee.

    (f) Contacting the program licensee to determine the status
of a program loan application.

    (g) Communicating a response that is returned by the
program licensee’s automated underwriting system to a borrower
or a prospective borrower.

    (h) Obtaining a borrower’s signature on documents prepared
by the program licensee and delivering final copies of the
documents to the borrower.

    (i) Disbursing program loan proceeds to a borrower if this
method of disbursement is acceptable to the borrower, subject to
the requirements of subsection (3). A loan disbursement made by
a referral partner under this paragraph is deemed to be made by
the program licensee on the date that the funds are disbursed or
otherwise made available by the referral partner to the
borrower.

    (j) Receiving a program loan payment from the borrower if
this method of payment is acceptable to the borrower, subject to
the requirements of subsection (3).

    (k) Operating an electronic access point through which a
prospective borrower may directly access the website of the
program licensee to apply for a program loan.

(3) RECEIPT OR DISBURSEMENT OF PROGRAM LOAN PAYMENTS.—
(a) A loan payment made by a borrower to a referral partner under paragraph (2)(j) must be applied to the borrower’s program loan and is deemed received by the program licensee as of the date the payment is received by the referral partner.

(b) A referral partner that receives loan payments must deliver or cause to be delivered to the borrower a plain and complete receipt showing all of the information specified in s. 516.43(1)(j) at the time that the payment is made by the borrower.

(c) A borrower who submits a loan payment to a referral partner under this subsection is not liable for a failure or delay by the referral partner in transmitting the payment to the program licensee.

(d) A referral partner that disburses or receives loan payments pursuant to paragraph (2)(i) or paragraph (2)(j) must maintain records of all disbursements made and loan payments received for a period of at least 2 years.

(4) PROHIBITED ACTIVITIES.—A referral partner may not engage in any of the following activities:

(a) Providing counseling or advice to a borrower or prospective borrower with respect to any loan term.

(b) Providing loan-related marketing material that has not previously been approved by the program licensee to a borrower or a prospective borrower.

(c) Negotiating a loan term between a program licensee and a prospective borrower.

(d) Offering information pertaining to a single prospective borrower to more than one program licensee. However, if a program licensee has declined to offer a program loan to a
prospective borrower and has so notified the prospective 
borrower in writing, the referral partner may then offer 
information pertaining to that borrower to another program 
licensee with whom it has a referral partner agreement. 

(e) Requiring a borrower to pay any fees or charges other 
than those permitted under ss. 516.40-516.46 to the referral 
partner or to any other person in connection with a program 
loan. 

(5) DISCLOSURE NOTICE AND COMMUNICATION.—
(a) At the time the referral partner receives or processes 
an application for a program loan, the referral partner shall 
provide the following statement to the applicant on behalf of 
the program licensee, in no smaller than 10-point type, and 
shall request that the applicant acknowledge receipt of the 
statement in writing:

Your loan application has been referred to us by 
...(name of referral partner).... We may pay a fee to 
...(name of referral partner).... for the successful 
referral of your loan application. If you are approved 
for the loan, ...(name of program licensee).... will 
become your lender. If you have any questions about 
your loan, now or in the future, you should direct 
those questions to ...(name of program licensee).... by 
...(insert at least two different ways in which a 
borrower may contact the program licensee).... If you 
wish to report a complaint about ...(name of referral 
partner).... or ...(name of program licensee).... 
regarding this loan transaction, you may contact the
Division of Consumer Finance of the Office of
Financial Regulation at 850-487-9687 or

(b) If the loan applicant has questions about the program loan which the referral partner is not permitted to answer, the referral partner must make a good faith effort to assist the applicant in making direct contact with the program licensee before the program loan is consummated.

(6) COMPENSATION.—
(a) The program licensee may compensate a referral partner in accordance with a written agreement and a compensation schedule that is mutually agreed to by the program licensee and the referral partner, subject to the requirements in paragraph (b).

(b) The compensation of a referral partner by a program licensee is subject to all of the following requirements:

1. Compensation may not be paid to a referral partner in connection with a loan application unless the program loan is consummated.

2. Compensation may not be paid to a referral partner based upon the principal amount of the program loan.

3. Compensation may not be directly or indirectly passed on to a borrower through a fee or other compensation, or a portion of a fee or other compensation, charged to a borrower.

4. Subject to the limitations specified in subparagraphs 1., 2., and 3., the total compensation paid by a program licensee to a referral partner for the services specified in subsection (2) may not exceed the sum of:
a. Sixty dollars per program loan, on average, assessed annually, whether paid at the time of consummation, through installments, or in a manner otherwise agreed upon by the program licensee and the referral partner; and

b. Two dollars per payment received by the referral partner on behalf of the program licensee for the duration of a program loan, if the referral partner receives borrower loan payments on the program licensee’s behalf in accordance with subsection (3).

5. The referral partner’s location for services and other information required by subsection (7) must be reported to the office.

   (c) A program licensee or a referral partner may not pass on to a borrower, whether directly or indirectly, any additional cost or other charge for compensation paid to a referral partner under this program.

(7) NOTICE TO OFFICE.—A program licensee that uses the service of a referral partner must notify the office, in a form and manner prescribed by the commission, within 15 days after entering into a contract with a referral partner regarding all of the following:

   (a) The name, business address, and licensing details of the referral partner and all locations at which the referral partner will perform services under this section.

   (b) The name and contact information for an employee of the referral partner who is knowledgeable about, and has the authority to execute, the referral partner agreement.

   (c) The name and contact information of one or more employees of the referral partner who are responsible for that referral partner’s referring activities on behalf of the program.
licensee.

(d) A statement by the program licensee that it has conducted due diligence with respect to the referral partner and has confirmed that none of the following applies:

1. The filing of a petition under the United States Bankruptcy Code for bankruptcy or reorganization by the referral partner.

2. The commencement of an administrative or judicial license suspension or revocation proceeding, or the denial of a license request or renewal, by any state, the District of Columbia, any United States territory, or any foreign country in which the referral partner operates, plans to operate, or is licensed to operate.

3. A felony indictment involving the referral partner or an affiliated party.

4. A felony conviction, guilty plea, or plea of nolo contendere, regardless of adjudication, of the referral partner or an affiliated party.

5. Any suspected criminal act perpetrated in this state relating to activities regulated under this chapter by the referral partner.

6. Notification by a law enforcement or prosecutorial agency that the referral partner is under criminal investigation which includes, but is not limited to, subpoenas to produce records or testimony and warrants issued by a court of competent jurisdiction which authorize the search and seizure of any records relating to a business activity regulated under this chapter.
As used in this paragraph, the term “affiliated party” means a director, an officer, a responsible person, an employee, or a foreign affiliate of a referral partner; or a person who has a controlling interest in a referral partner.

(e) Any other information requested by the office subject to the limitations specified in s. 516.45(4).

(8) NOTICE OF CHANGES.—A referral partner must provide the program licensee with written notice, sent by registered mail, within 30 days after any changes are made to the information specified in paragraphs (7)(a)-(c) or within 30 days after the occurrence or knowledge of any of the events specified in paragraph (7)(d), whichever is later.

(9) RESPONSIBILITY FOR ACTS OF A REFERRAL PARTNER.—A program licensee is responsible for any act of its referral partner if the act is a violation of this chapter.

(10) REFERRAL PARTNER FEE.—The program licensee shall pay to the office at the time it files a referral partner notice with the office a one-time, nonrefundable fee of $30 for each referral partner, as prescribed by commission rule.

Section 6. Section 516.45, Florida Statutes, is created to read:

516.45 Examinations; disciplinary actions.—

(1) Notwithstanding any other law, commencing on January 1, 2019, the office shall examine each program licensee that is accepted into the program in accordance with this chapter at least once every 24 months.

(2) Notwithstanding subsection (1), the office may waive one or more branch office examinations if the office finds that such examinations are not necessary for the protection of the
public due to the centralized operations of the program licensee
or other factors acceptable to the office.

(3) The examined program licensee shall pay for the cost of
an examination to the office, pursuant to commission rule, and
the office may maintain an action for the recovery of the cost
in any court of competent jurisdiction. In determining the cost
of the examination, the office may use the estimated average
hourly cost for all persons performing examinations of program
licensees or other persons subject to ss. 516.40-516.46 for the
fiscal year.

(4) The scope of any investigation or examination of a
program licensee or referral partner must be limited to those
books, accounts, records, documents, materials, and matters
reasonably necessary to determine compliance with this chapter.

(5) A program licensee who violates any applicable
 provision of this chapter is subject to disciplinary action
pursuant to s. 516.07(2). Any such disciplinary action is
subject to s. 120.60. A program licensee is also subject to
disciplinary action for a violation of s. 516.44 committed by
any of its referral partners.

(6) The office may take any of the following actions
against a referral partner who violates s. 516.44:

(a) Disqualify the referral partner from performing
services under this chapter;
(b) Bar the referral partner from performing services at
one or more specific locations of the referral partner;
(c) Terminate a written agreement between a referral
partner and a program licensee;
(d) Impose an administrative fine not to exceed $1,000 for
each such act of the referral partner; and

(e) Prohibit program licensees from using the referral partner, if the office deems it to be in the public interest.

Section 7. Section 516.46, Florida Statutes, is created to read:

516.46 Annual reports; reports by the office.—
(1) Beginning in 2020, on or before March 15 of each year, a program licensee shall file a report with the office on each of the items specified in subsection (2), on a form and in a manner as prescribed by commission rule, which contains aggregated or anonymized data without reference to any borrower’s nonpublic personal information or any proprietary or trade secret information of the program licensee.

(2) On or before January 1, 2021, the office shall post a report on its website summarizing the use of the program based on the information contained in reports filed by each program licensee under subsection (1). The report must state the information in the aggregate so as not to identify data by specific program licensee and must specify the period to which the report corresponds. The report must include, but not be limited to, the following for that period:

(a) The number of entities that applied to participate in the program.

(b) The number of entities accepted to participate in the program.

(c) The office’s reasons for rejecting applications for participation, if applicable. This information must be provided in a manner that does not identify the entity or entities rejected.
(d) The number of program loan applications received by program licensees participating in the program, the number of program loans made under the program, the total amount loaned, the distribution of loan lengths upon origination, and the distribution of interest rates and principal amounts upon origination among those program loans.

(e) The number of borrowers who obtained more than one program loan and the distribution of the number of program loans per borrower.

(f) Of the borrowers who obtained more than one program loan, the percentage of those borrowers whose credit scores increased between successive loans, based on information from at least one major credit bureau, and the average size of the increase.

(g) The income distribution of borrowers upon program loan origination, including the number of borrowers who obtained at least one program loan and who resided in a low-income or moderate-income census tract at the time of their loan applications.

(h) The number of borrowers who obtained program loans for the following purposes, based on borrower responses at the time of their loan applications indicating the primary purpose for which the program loan was obtained:

1. Pay medical expenses.
2. Pay for vehicle repair or a vehicle purchase.
3. Pay bills.
4. Consolidate debt.
5. Build or repair credit history.
6. Pay other expenses.
(i) The number of borrowers who self-report that they had a bank account at the time of their loan application and the number of borrowers who self-report that they did not have a bank account at the time of their loan application.

(j) With respect to refinance program loans, the report must specifically include the following information:

1. The number and percentage of borrowers who applied for a refinance program loan.

2. Of those borrowers who applied for a refinance program loan, the number and percentage of borrowers who obtained a refinance program loan.

(k) The number and type of referral partners used by program licensees.

(l) The number and percentage of borrowers who obtained one or more program loans on which delinquency charges were assessed, the total amount of delinquency charges assessed, and the average delinquency charge assessed by dollar amount and as a percentage of the principal amount loaned.

(m) The performance of program loans under the program as reflected by all of the following:

1. The number and percentage of borrowers who experienced at least one delinquency lasting between 7 and 29 days, and the distribution of principal loan amounts corresponding to those delinquencies.

2. The number and percentage of borrowers who experienced at least one delinquency lasting between 30 and 59 days, and the distribution of principal loan amounts corresponding to those delinquencies.

3. The number and percentage of borrowers who experienced...
at least one delinquency lasting 60 days or more, and the
distribution of principal loan amounts corresponding to those
delinquencies.

(n) The number and types of violations of ss. 516.40-516.46
by referral partners which were documented by the office.
(o) The number and types of violations of ss. 516.40-516.46
by program licensees which were documented by the office.
(p) The number of times that the office disqualified a
referral partner from performing services, barred a referral
partner from performing services at one or more specific
locations of the referral partner, terminated a written
agreement between a referral partner and a program licensee, or
imposed an administrative penalty.
(q) The number of complaints received by the office about a
program licensee or a referral partner and the nature of those
complaints.

Section 8. Sections 516.40-516.46, Florida Statutes, are
repealed on December 31, 2023, unless reenacted or superseded by
another law enacted by the Legislature before that date.

Section 9. This act shall take effect October 1, 2018.