

**FIFTY-FIFTH LEGISLATURE  
FIRST SESSION, 2021**

March 15, 2021

Mr. Speaker:

Your **JUDICIARY COMMITTEE**, to whom has been referred  
**SENATE JUDICIARY COMMITTEE SUBSTITUTE FOR SENATE BILL  
66, as amended**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 2, line 16, after "principal", insert "that shall be charged no more than once per individual consumer within a twelve-month period".

2. On page 5, line 24, strike "No" and insert in lieu thereof "Except as provided in Subsection K of this section, no".

3. On page 8, line 13, strike the closing quotation mark and between lines 13 and 14, insert the following new subsections:

"K. If a borrower is denied a loan at thirty-six percent or less, calculated pursuant to Subsections D, E and F of this section, by a credit union or other lender that regularly offers such loans to the public, that borrower may apply for a loan at a rate of up to ninety-nine calculated percent, pursuant to 12 CFR Part 1026, known as "Regulation Z"; provided that the borrower submits written or electronic proof to the lender that within the previous thirty days, the borrower applied for and was denied a loan at a rate not to exceed thirty-six percent. Notwithstanding the provisions of this subsection, a lender shall not offer a loan product within the state at a rate higher than thirty-six calculated percent, pursuant to the provisions of this subsection, unless such rate has been approved by the financial institutions division of the regulation and licensing department. In considering approval of a loan product with rates higher than thirty-six calculated percent, the financial institutions division shall consider the cost to the lender of making the loan at the proposed rate and the risks to the lender of nonpayment. The financial institutions division shall issue rules implementing the provisions of this subsection no later than January 1, 2022.

L. All loans made pursuant to this section shall comply with the following:

**FIFTY-FIFTH LEGISLATURE  
FIRST SESSION, 2021**

HJC/SB 66

Page 2

(1) a loan shall not:

(a) be made for a term of greater than twenty-four months, not including any refinancing term;

(b) accrue late fees, non-sufficient funds bank fees, origination fees, prepayment penalties or charges for any ancillary product;

(c) accrue interest after ninety days of nonpayment;

(d) be recoverable through wage garnishment or assignment; or

(e) be eligible for refinance of the loan by the lender, unless the borrower is not in default on the current loan and has made at least thirty percent of the payments and paid at least thirty percent of the principal;

(2) a loan shall be subject to underwriting and shall be reported on to at least one consumer credit reporting agency; and

(3) a lender shall provide a clear disclosure that complies with the federal Truth in Lending Act, including an amortization schedule."".

4. On page 16, line 9, remove the brackets and the line through "and".

5. On page 17, line 2, after the semicolon, insert "and".

6. On page 17, line 5, strike "; and".

7. On page 17, strike lines 6 through 25 in their entirety and on page 18, strike lines 1 through 9 in their entirety and strike line 10 up to the period.

8. On page 36, line 8, strike "A" and insert in lieu thereof "Except as provided in Subsection Q of this section, a".

**FIFTY-FIFTH LEGISLATURE  
FIRST SESSION, 2021**

HJC/SB 66

Page 3

9. On page 38, line 22, strike the closing quotation mark and between lines 22 and 23, insert the following new subsections:

"Q. If a borrower is denied a loan at thirty-six percent or less, calculated pursuant to Subsections J, K and L of this section, by a credit union or other lender that regularly offers such loans to the public, that borrower may apply for a loan at a rate of up to ninety-nine calculated percent, pursuant to 12 CFR Part 1026, known as "Regulation Z"; provided that the borrower submits written or electronic proof to the licensee that within the previous thirty days, the borrower applied for and was denied a loan at a rate not to exceed thirty-six percent. Notwithstanding the provisions of this subsection, a licensee shall not offer a loan product within the state at a rate higher than thirty-six calculated percent, pursuant to the provisions of this subsection, unless such rate has been approved by the division. In considering approval of a loan product with rates higher than thirty-six calculated percent, the division shall consider the cost to the licensee of making the loan at the proposed rate and the risks to the licensee of nonpayment. The division shall issue rules implementing the provisions of this subsection no later than January 1, 2022.

R. All loans made pursuant to this section shall comply with the following:

(1) a loan shall not:

(a) be made for a term of greater than twenty-four months, not including any refinancing term;

(b) accrue late fees, non-sufficient funds bank fees, origination fees, prepayment penalties or charges for any ancillary product;

(c) accrue interest after ninety days of nonpayment;

(d) be recoverable through wage garnishment or assignment; or

(e) be eligible for refinance of the loan by the licensee, unless the consumer is not in default on the current

FIFTY-FIFTH LEGISLATURE  
FIRST SESSION, 2021

HJC/SB 66

Page 4

loan and has made at least thirty percent of the payments and paid at least thirty percent of the principal;

(2) a loan shall be subject to underwriting; and

(3) a licensee shall provide a clear disclosure that complies with the federal Truth in Lending Act, including an amortization schedule."".

10. On page 40, between lines 4 and 5, insert the following:

"SECTION 14. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2022.".,

Respectfully submitted,

\_\_\_\_\_  
Gail Chasey, Chair

Adopted \_\_\_\_\_  
(Chief Clerk)

Not Adopted \_\_\_\_\_  
(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 8 For 4 Against  
Yes: 8  
No: Cook, Nibert, Rehm, Townsend  
Excused: None  
Absent: None

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