

Compliance Newsletter

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Disclaimer: Does not contain information for all legislation that may affect a provider of Credit Protection products. You should review each bill in its entirety to determine the impact and what actions are needed, if any, to comply with state requirements.

Credit Insurance

NEW ITEMS:

Arizona:

HB 2511 – Auto Title Loans.

Would impose a 36% all-in APR interest rate cap on all secondary motor vehicle finance transactions.

Effective Date: Proposed – Upon Enactment.

Licensing Impact: No changes anticipated.

Product/Program Impact: No anticipated impact to credit insurance products. However, may impact accounts' decision to offer credit insurance.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

Hawaii:

HB 29 – Small Dollar Loans.

Would impose a 36% all-in APR interest rate cap on loans less than \$1,000.

Effective Date: Proposed – July 1, 2021.

Licensing Impact: No changes anticipated.

Product/Program Impact: No anticipated impact to credit insurance products. However, may impact accounts' decision to offer credit insurance.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

HB 1192 & SB 974 – Small Dollar Loans.

Would impose a 36% all-in APR interest rate cap on loans less than \$1,500.

Effective Date: Proposed – July 1, 2021.

Licensing Impact: No changes anticipated.

Product/Program Impact: No anticipated impact to credit insurance products. However, may impact accounts' decision to offer credit insurance.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

Nebraska:

LB 510 – Nebraska Installment Loan Act – Rate of Interest.

Would increase loan cap for Retail Installment Loan Act loans from 24% to 29%.

Effective Date: Proposed – Upon Enactment.

Licensing Impact: No changes anticipated.

Product/Program Impact: No changes anticipated.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

New Mexico:

HB 149 & SB 66 – Installment Loan Changes.

Would impose a 36% all-in interest rate cap on Bank Installment Loan Act and Small Loan Act loans up to \$10,000.

Effective Date: Proposed – Upon Enactment.

Licensing Impact: No changes anticipated.

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Product/Program Impact: No anticipated impact to credit insurance products. However, may impact accounts' decision to offer credit insurance.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

PREVIOUSLY REPORTED:

Illinois:

SB 1792 – Illinois Predatory Loan Prevention Act.

Passed House and Senate

Would impose a 36% cap on permissible interest rate, calculated in accordance with the Military Lending Act on all loans. Repeals the Small Loan section of the CILA that previously allowed for small loans in excess of 36% up to \$4,000.

Effective Date: Proposed – Upon enactment.

Licensing Impact: No changes anticipated.

Product/Program Impact: No anticipated impact to credit insurance products. However, may impact accounts' decision to offer credit insurance.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

Indiana:

HB 1411 – Regarding consumer loan finance charges.

Would impose a 36% interest rate cap on consumer loans.

Effective Date: Proposed – July 1, 2021.

Licensing Impact: No changes anticipated.

Product/Program Impact: No changes anticipated.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

Missouri:

HB 651 – Small Loans.

This bill prohibits lenders of consumer credit loans, title loans, consumer installment loans, and unsecured loans of \$500 or less (commonly called payday loans) from charging interest, fees, and finance charges in excess of 36% of the unpaid balance of the loan.

Effective Date: Proposed – Upon enactment.

Licensing Impact: No changes anticipated.

Product/Program Impact: No changes anticipated.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

Montana:

LC 1411 – Eliminate credit insurance additions to debt products.

In Drafting Process.

This proposed bill, which is still in the drafting state, would prohibit the sale of credit insurance in combination with loans/financing.

Effective Date: Uncertain.

Licensing Impact: No changes anticipated.

Product/Program Impact: Credit insurance not permitted to be sold.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

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New Mexico:

HB 0099 – Small Loan Act Max Annual Percentage Rate.

Would impose a 36% cap on Bank Installment Loan Act and Small Loan Act loans.

Effective Date: Proposed – July 1, 2021.

Licensing Impact: No changes anticipated.

Product/Program Impact: No changes anticipated.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

North Dakota:

SB 2103 – Revisions to the North Dakota Century Code.

Passed Senate.

Would impose a 36% all-in rate cap on loans governed under the North Dakota Century Code.

Effective Date: Proposed – Upon Enactment.

Licensing Impact: No changes anticipated.

Product/Program Impact: No anticipated impact to credit insurance products. However, may impact accounts' decision to offer credit insurance.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

South Carolina:

HB 3554 – Illinois Predatory Loan Prevention Act.

Would impose a 36% interest cap on loans with principal not exceeding \$5,000, an interest cap of 25% on loans with principal exceeding \$5,000 but not \$15,000, and an interest cap of 15% on loans with principal exceeding \$15,000. These caps are per year caps relating to credit unions, banks, and other financial institutions making consumer loans.

Effective Date: Proposed – July 1, 2021.

Licensing Impact: No changes anticipated.

Product/Program Impact: No changes anticipated.

Consumer Contract Impact: No changes anticipated.

Rate Impact: No changes anticipated.

Wyoming:

HB 0008 – Refund of Certain Credit Insurance Products.

Passed House & Senate.

Would amends various provisions of Wyoming's Uniform Consumer Credit Code to authorize sales-finance activities for certain licensees and establishes procedures and calculations for the refund of certain credit-insurance products upon prepayment. Would impose a 36% interest rate cap on loans with principal not exceeding \$1,000, and would impose a 21% interest cap on loans with principal exceeding \$1,000.

Effective Date: Proposed – July 1, 2021.

Licensing Impact: No changes anticipated.

Product/Program Impact: May impact credit insurance refund methods.

Consumer Contract Impact: May require an update to future consumer forms.

Rate Impact: No changes anticipated.

Federal:

None.

NO LONGER MONITORING:

None.

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Lender-Placed Insurance

NEW ITEMS:

None.

PREVIOUSLY REPORTED:

None.

NO LONGER MONITORING:

None.

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Licensing Reminders

License appointment renewals for agents are automatically processed each year unless we hear otherwise from you. To avoid paying for terminated or inactive employees, please send your changes to licensing@fortegra.com or contact Lynnette Rackley at 800-888-2738 then 8 x7267. The upcoming termination cut-off dates are as follows: NM – 2/23/2021; ND – 2/23/2021; DC – 2/27/2021; LA – 3/7/2021; MS – 3/15/2021; NJ – 3/23/2021; SD – 3/31/2021; NE – 4/14/2021; CT – 4/17/2021; MD – 5/1/2021 (Motor club appointments only); AR – 5/25/2021; VT – 5/26/2021; WV – 5/31/2021.

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