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LEGISLATIVE ACTION

Senate

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House

Senator Rouson moved the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 516.405, Florida Statutes, is created to
read:

516.405 Access to Responsible Credit Pilot Program.—

(1) The Access to Responsible Credit Pilot Program is
created within the Office of Financial Regulation to allow more
Floridians to obtain responsible consumer finance loans in
principal amounts of at least \$300, but not more than \$7,500.



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(2) The pilot program is intended to assist consumers in building their credit and to provide additional consumer protections for these loans that exceed current protections under general law.

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

516.41 Definitions.—As used in ss. 516.405-516.46, the term:

(1) "Access partner" means an entity that, at one or more physical business locations owned or rented by the entity, performs one or more of the services authorized in s. 516.44(2) on behalf of a program licensee. The term does not include a credit service organization as defined in s. 817.7001 or a loan broker as defined in s. 687.14.

(2) "Consumer reporting agency" has the same meaning as the term "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" in the Fair Credit Reporting Act, 15 U.S.C. s. 1681a(p).

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

(4) "Data furnisher" has the same meaning as the term "furnisher" in 12 C.F.R. s. 1022.41(c).

(5) "Pilot program" or "program" means the Access to Responsible Credit Pilot Program.

(6) "Pilot program license" or "program license" means a license issued under ss. 516.405-516.46 authorizing a program licensee to make and collect program loans.

(7) "Program branch office license" means a license issued under the program for each location, other than a program



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licensee's or access 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 promotional materials, or signage suggests that program loans are originated, negotiated, funded, or serviced by the program licensee; or

(c) At which program loans are originated, negotiated, funded, or serviced by the program licensee.

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

(9) "Program loan" means a consumer finance loan with a principal amount of at least \$300, but not more than \$7,500, originated pursuant to ss. 516.405-516.46, excluding the amount of the origination fee authorized under s. 516.43(3).

(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.—

(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 obtains a pilot program license from the



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office.

(2) In order to obtain a pilot program license, a person must:

(a)1. Be licensed to make and collect consumer finance loans under s. 516.05; or

2. Submit the application for the license required in s. 516.05 concurrently with the application for the program license, both of which must be approved by the office.

(b) Be accepted as a data furnisher by a consumer reporting agency.

(c) Not be the subject of any insolvency proceeding or a pending criminal prosecution.

(d) 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, any financial regulatory agency in this state, or any other state or federal regulatory agency that affects the ability of such person to participate in the program.

(3) (a) A program applicant must 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 under which the applicant operates.

2. The applicant's main address.

3. The applicant's telephone number and e-mail address.

4. The address of each program branch office.

5. The name, title, address, telephone number, and e-mail



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99 address of the applicant's contact person.

100 6. The license number, if the applicant is licensed under
101 s. 516.05.

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

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

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

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

115 1. An application pursuant to s. 516.03 for licensure to
116 make consumer finance loans.

117 2. An application for admission to the program in
118 accordance with paragraph (a).

119 (4) Except as otherwise provided in ss. 516.405-516.46, a
120 program licensee is subject to all the laws and rules governing
121 consumer finance loans under this chapter. A program license
122 must be renewed biennially.

123 (5) Notwithstanding s. 516.05(3), only one program license
124 is required for a person to make program loans under ss.
125 516.405-516.46, regardless of whether the program licensee
126 offers program loans to prospective borrowers at its own
127 physical business locations, through access partners, or via an



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electronic access point through which a prospective borrower may directly access the website of the program licensee.

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

(7) The office shall issue a program branch office license to a program licensee after the office determines that the program licensee has submitted a completed electronic application for a program branch office license in a form prescribed by commission rule. 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. The application for a program branch office license must contain the following information:

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

(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 applicant's contact person.

(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.

(8) Except as provided in subsection (9), a program branch office license must be renewed biennially at the time of renewing the program license.

(9) Notwithstanding subsection (7), the office may deny an



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initial or renewal application for a program license or program
branch office license if the applicant or any person with power
to direct the management or policies of the applicant's business
is:

(a) The subject of any insolvency proceeding;

(b) The subject of a pending criminal prosecution in any
jurisdiction until conclusion of such criminal prosecution; or

(c) 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, any financial regulatory agency in this
state, or any other state or federal regulatory agency that
affects the applicant's ability to participate in the program.

(10) The commission shall adopt rules to implement this
section.

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

516.43 Requirements for program loans.—

(1) 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 term of:

1. At least 120 days, but not more than 60 months, for a
loan with a principal balance upon origination of at least \$300,
but not more than \$3,000.

2. At least 12 months, but not more than 60 months, for a
loan with a principal balance upon origination of more than
\$3,000.

(c) A borrower may not receive a program loan for a



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principal balance exceeding \$5,000 unless:

1. The borrower has paid in full the outstanding principal, interest, and fees on a program loan;

2. The borrower's credit score increased from the time of application for the borrower's first consummated program loan;
and

3. The borrower was never delinquent for more than 7 days on the program loan.

(d) A program loan must not impose a prepayment penalty. 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 must be due every 2 weeks, semimonthly, or monthly.

(e) 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 returning the principal advanced by the end of the business day after the day the program loan is consummated.

(f) Notwithstanding s. 516.031, the maximum annual interest rate charged on a program loan to the borrower, which must be fixed for the duration of the program loan, is 36 percent on that portion of the unpaid principal balance up to and including \$3,000, 30 percent on that portion of the unpaid principal balance exceeding \$3,000 and up to and including \$4,000, and 24 percent on that portion of the unpaid principal balance exceeding \$4,000 and up to and including \$7,500. 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 Board of Governors of the Federal Reserve



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System. In determining compliance with the maximum annual 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 added-on interest or any other computations.

(g) If two or more interest rates are applied to the principal amount of a program loan, the program 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.

(h) The program licensee shall reduce the interest rates specified in paragraph (f) on each subsequent program loan to the same borrower by a minimum of 1 percent, up to a maximum of 6 percent, if all of the following conditions are met:

1. The subsequent program loan is originated within 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.

(i) The program licensee may not permit any person to become obligated to the program licensee, directly or contingently, or both, under more than one program loan from the program licensee at the same time.

(j) The program licensee may not refinance a program loan



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unless all of the following conditions are met at the time the
borrower submits an application to refinance:

1. The principal amount payable may not include more than
60 days' unpaid interest accrued on the previous program loan
pursuant to s. 516.031(5).

2. For a program loan with an original term up to and
including 25 months, the borrower has repaid at least 60 percent
of the outstanding principal remaining on his or her existing
program loan.

3. For a program loan with an original term of more than 25
months, but not more than 60 months, the borrower has made
current payments for at least 9 months on his or her existing
program loan.

4. The borrower is current on payments for his or her
existing program loan.

5. The program licensee must underwrite the new program
loan in accordance with subsection (8).

(k) In lieu of the provisions of s. 687.08, the program
licensee or, if applicable, its approved access partner shall
make available to the borrower by 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, the program
licensee must 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 made available to the borrower must show all of the
following:

1. The name of the borrower.

2. The name of the access partner, if applicable.



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273 3. The total payment amount received.
274 4. The date of payment.
275 5. The program loan balance before and after application of
276 the payment.
277 6. The amount of the payment that was applied to the
278 principal, interest, and fees.
279 7. The type of payment made by the borrower.
280 8. The following statement, prominently displayed in a type
281 size equal to or larger than the type size used to display the
282 other items on the receipt: "If you have any questions about
283 your loan now or in the future, you should direct those
284 questions to ...(name of program licensee)... by ...(at least
285 two different ways in which a borrower may contact the program
286 licensee)...."
287 (2) WRITTEN DISCLOSURES AND STATEMENTS.—
288 (a) Notwithstanding s. 516.15(1), the loan contract and all
289 written disclosures and statements may be provided by a program
290 licensee to a borrower in English or in the language in which
291 the loan is negotiated.
292 (b) The program licensee shall provide to a borrower all
293 the statements required of licensees under s. 516.15.
294 (3) ORIGINATION FEES.—Notwithstanding s. 516.031, a program
295 licensee may:
296 (a) Contract for and receive an origination fee from a
297 borrower on a program loan. The program licensee may either
298 deduct the origination fee from the principal amount of the loan
299 disbursed to the borrower or capitalize the origination fee into
300 the principal balance of the loan. The origination fee is fully
301 earned and nonrefundable immediately upon the making of the



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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 \$90.

(b) Not charge a borrower an origination fee more than twice in any 12-month period.

(4) INSUFFICIENT FUNDS FEES AND DELINQUENCY CHARGES.—A program licensee may:

(a) Notwithstanding s. 516.031, 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 for each payment in default for at least 7 days if the charge is agreed upon, in writing, between the program licensee and the borrower before it is imposed. Delinquency charges may be imposed as follows:

1. For payments due monthly, the delinquency charge for a payment in default may not exceed \$15.

2. For payments due semimonthly, the delinquency charge for a payment in default may not exceed \$7.50.

3. For payments due every 2 weeks, the delinquency charge for a payment in default may not exceed \$7.50 if two payments are due within the same calendar month, and may not exceed \$5 if three payments are due within the same calendar month.

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



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(5) ADDITIONAL FEES PROHIBITED.—Notwithstanding any fees authorized in this chapter, a program licensee may not charge a borrower any fees other than those authorized in subsections (3) and (4) for a program loan.

(6) 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 seminar to the borrower. The borrower is not required to participate in such education program or seminar. A credit education program or seminar offered pursuant to this paragraph must be provided at no cost to the borrower.

(7) CREDIT REPORTING.—

(a) The program licensee shall report each borrower's payment performance to at least one consumer reporting agency.

(b) The office may not approve an applicant for the program license before the applicant 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.

(8) PROGRAM LOAN UNDERWRITING.—

(a) The program licensee must 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



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is being considered and all outstanding forms of credit that can be independently verified by the program licensee, exceed 50 percent of the borrower's gross monthly income for a loan of not more than \$3,000, or exceed 36 percent of the borrower's gross monthly income for a loan of more than \$3,000.

(b)1. The program licensee must 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 must verify such information using a credit report from at least one consumer reporting agency 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 must verify the borrower's income to determine 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. The 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.

(9) 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



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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, a
court, or any 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
communicate with, 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:



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516.44 Access partners.—

(1) ACCESS PARTNER AGREEMENT.—All arrangements between a program licensee and an access partner must be specified in a written access partner agreement between the parties. The agreement must contain the following provisions:

(a) The access partner agrees to comply with this section and all rules adopted under this section regarding the activities of access partners.

(b) The office has access to the access partner's books and records pertaining to the access partner's operations under the agreement with the program licensee in accordance with s. 516.45(3) and may examine the access partner pursuant to s. 516.45.

(2) AUTHORIZED SERVICES.—A program licensee may use the services of one or more access partners as provided in this section. An access partner may perform one or more of the following services from its physical business location for the 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. An access partner may discuss the information with a



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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 the program licensee's preprinted or electronic application form or in the program licensee's 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 an access 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 access 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



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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 an access partner under paragraph (2)(j) must be applied to the borrower's program loan and deemed received by the program licensee as of the date on which the payment is received by the access partner.

(b) An access partner that receives a loan payment from a borrower 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)(k) at the time that the payment is made by the borrower.

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

(d) An access 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 at least 2 years.

(4) PROHIBITED ACTIVITIES.—An access partner may not:

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

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

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

(d) Offer information pertaining to a single prospective borrower to more than one program licensee. However, if a



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program licensee has declined to offer a program loan to a prospective borrower and has so notified the prospective borrower in writing, the access partner may then offer information pertaining to that borrower to another program licensee with whom it has an access partner agreement.

(e) Except for the purpose of assisting a borrower in obtaining a refinance program loan, offer information pertaining to a prospective borrower to any program licensee if the prospective borrower has an outstanding program loan.

(f) Charge a borrower any fee for a program loan.

(g) Perform in-person marketing of the program at a public food service establishment, as defined in s. 509.013(5), or at a place where alcoholic beverages, as defined in s. 561.01(4), are served for consumption.

(h) Perform in-person marketing of the program at a location at which the primary purpose is the sale of liquor, as defined in s. 565.01.

(5) DISCLOSURE STATEMENTS.—

(a) At the time that the access partner receives or processes an application for a program loan, the access partner shall provide the following statement to the applicant on behalf of the program licensee, in at least 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 access partner).... We may pay a fee to
...(name of access partner)... for the successful
referral of your loan application. If you are approved



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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 access
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
<http://www.flofr.com>.

(b) If the loan applicant has questions about the program
loan which the access partner is not permitted to answer, the
access 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 an access partner
in accordance with a written agreement and a compensation
schedule that is agreed to by the program licensee and the
access partner, subject to the requirements in paragraph (b).

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

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

2. The access partner's location for services and other



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information required in subsection (7) must be reported to the office.

3. Compensation paid by the program licensee to the access partner may not exceed \$65 per program loan, on average, plus \$2 per payment received by the access partner on behalf of the program licensee for the duration of the program loan, and may not be charged directly to the borrower.

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

(a) The name, principal office address, and any licensing details of the access partner and addresses of all physical business locations at which the access partner will perform services under this section.

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

(c) The name and contact information of all employees of the access partner who are responsible for that access 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 access partner and has confirmed that none of the following apply:

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

2. The commencement of an administrative or a judicial



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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 access partner operates, plans to operate, or is
licensed to operate.

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

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

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

6. Notification by a law enforcement or prosecutorial
agency that the access partner is under criminal investigation,
including, but 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, officer, control person, employee, or foreign
affiliate of an access partner; or a person who has a
controlling interest in an access partner.

(e) Any other information requested by the office, subject
to the limitations specified in s. 516.45(3).

(8) NOTICE OF CHANGES.—An access partner must provide the
program licensee and the office with a written notice sent by



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registered mail within 30 days after any change is made to the information specified in paragraphs (7)(a)-(c) and within 30 days after the occurrence or knowledge of any of the events specified in paragraph (7)(d).

(9) RESPONSIBILITY FOR ACTS OF AN ACCESS PARTNER.—A program licensee is responsible for any act of its access partner or the access partner's employees if such act is a violation of this chapter.

(10) RULEMAKING.—The commission shall adopt rules to implement this section.

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

516.45 Examinations, investigations, and grounds for disciplinary action.—

(1) Notwithstanding any other law, the office shall examine each program licensee that is accepted into the program in accordance with this chapter.

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

(4) 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



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subject to s. 120.60. The program licensee is also subject to disciplinary action for a violation of s. 516.44 committed by any of its access partners or the access partner's employees.

(5) The office may take any of the following actions against an access partner who violates s. 516.44:

(a) Bar the access partner from performing services under this chapter.

(b) Bar the access partner from performing services at one or more of its specific locations.

(c) Impose an administrative fine on the access partner not to exceed \$5,000 in a calendar year for violations of s. 516.44.

(6) The commission shall adopt rules to implement this section.

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

516.46 Annual reports by program licensees and the office.—

(1) By March 15, 2021, and each year thereafter, a program licensee shall file a report with the office on a form and in a manner prescribed by commission rule. The report must include each of the items specified in subsection (2) for the preceding year using aggregated or anonymized data without reference to any borrower's nonpublic personal information or any program licensee's or access partner's proprietary or trade secret information.

(2) By January 1, 2022, and each year thereafter, the office shall post a report on its website summarizing the use of the program based on the information contained in the reports filed in the preceding year by program licensees under subsection (1). The office's report must publish the information



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in the aggregate so as not to identify data by any specific
program licensee. The report must specify the period to which
the report corresponds and must include, but is not limited to,
the following for that period:

(a) The number of applicants approved for a program license
by the office.

(b) The number of program loan applications received by
program licensees, 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.

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

(d) Of those borrowers who obtained more than one program
loan and had a credit score by the time of their subsequent
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. In each case, the report must include the name of the
credit score, such as FICO or VantageScore, which the program
licensee is required to disclose.

(e) 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.

(f) The number of borrowers who obtained program loans for



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the following purposes, based on the borrowers' responses at the
time of their loan applications indicating the primary purpose
for which the program loans were obtained:

1. To pay medical expenses.
2. To pay for vehicle repair or a vehicle purchase.
3. To pay bills.
4. To consolidate debt.
5. To build or repair credit history.
6. To finance a small business.
7. To pay other expenses.

(g) 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.

(h) For refinance program loans:

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.

(i) The performance of program loans 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



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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.

(3) The commission shall adopt rules to implement this section.

Section 8. Sections 516.405-516.46, Florida Statutes, as created by this act, are repealed on July 1, 2029.

Section 9. For the 2019-2020 fiscal year, the sums of \$262,125 in recurring funds and \$140,000 in nonrecurring funds from the Regulatory Trust Fund are appropriated to the Office of Financial Regulation of the Financial Services Commission, and four full-time equivalent positions with associated salary rate of 173,881 are authorized, to implement this act.

Section 10. This act shall take effect January 1, 2020.

===== T I T L E A M E N D M E N T =====
And the title is amended as follows:

Delete everything before the enacting clause
and insert:

A bill to be entitled
An act relating to consumer finance loans; creating s.
516.405, F.S.; creating the Access to Responsible
Credit Pilot Program within the Office of Financial
Regulation; providing legislative intent; creating s.
516.41, F.S.; providing definitions; creating s.
516.42, F.S.; requiring persons to obtain a program
license from the office for certain actions relating



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to program loans; providing licensure requirements;
requiring a program licensee's program branch offices
to be licensed; providing program branch office
license and license renewal requirements; providing
circumstances under which the office may deny initial
and renewal applications; requiring the Financial
Services Commission to adopt rules; creating s.
516.43, F.S.; providing requirements for program
licensees, program loans, interest rates, program loan
refinancing, receipts, disclosures and statements
provided by program licensees to borrowers,
origination fees, insufficient funds fees, and
delinquency charges; prohibiting program licensees
from charging borrowers any fees other than as
specified; requiring program licensees to provide
certain credit education information to borrowers and
to report payment performance of borrowers to a
consumer reporting agency; prohibiting the office from
approving a program licensee applicant before the
applicant has been accepted as a data furnisher by a
consumer reporting agency; requiring program licensees
to underwrite program loans; prohibiting program
licensees from making program loans under certain
circumstances; requiring program licensees to seek
certain information and documentation; prohibiting
program licensees from requiring certain waivers from
borrowers; providing applicability; creating s.
516.44, F.S.; requiring all arrangements between
program licensees and access partners to be specified



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in written access partner agreements; providing requirements for such agreements; specifying access partner services which may be used by program licensees; specifying procedures for borrowers' payment receipts or access partners' disbursements of program loans; providing recordkeeping requirements; prohibiting certain activities by access partners; providing disclosure statement requirements; authorizing a program licensee to compensate an access partner; providing requirements relating to compensation paid to access partners; requiring program licensees to provide the office with a specified notice after contracting with, and before using the services of, access partners; defining the term "affiliated party"; requiring access partners to provide program licensees and the office with a certain written notice within a specified time; providing that program licensees are responsible for acts of their access partners and access partners' employees; requiring the commission to adopt rules; creating s. 516.45, F.S.; requiring the office to examine program licensees; providing an exception; limiting the scope of certain examinations and investigations; authorizing the office to take certain disciplinary action against program licensees and access partners; requiring the commission to adopt rules; creating s. 516.46, F.S.; requiring program licensees to file an annual report with the office beginning on a specified date; requiring the office to



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824 post an annual report on its website by a specified
825 date; specifying information to be contained in the
826 reports; requiring the commission to adopt rules;
827 providing for future repeal of the program; providing
828 an appropriation; providing an effective date.