

1 A bill to be entitled
2 An act relating to consumer finance loans; creating s.
3 516.40, F.S.; creating the Access to Responsible
4 Credit Pilot Program within the Office of Financial
5 Regulation; providing legislative findings and intent;
6 providing applicability; creating s. 516.41, F.S.;
7 defining terms; creating s. 516.42, F.S.; prohibiting
8 a person from certain activities without prior
9 approval from the office; specifying requirements for
10 participating in the program to make certain consumer
11 finance installment loans; specifying requirements for
12 an application and fee; authorizing the office to
13 grant a person a license covering more than one
14 physical location under certain circumstances;
15 creating s. 516.43, F.S.; requiring a program licensee
16 to file annual reports; creating s. 516.44, F.S.;
17 providing general requirements for a program loan;
18 requiring a program licensee to provide specified
19 written disclosures to a borrower; specifying
20 requirements for origination fees; specifying
21 requirements for insufficient funds fees and
22 delinquency charges; requiring a program licensee to
23 offer certain credit education to a borrower;
24 specifying requirements for reporting borrower payment
25 performance to credit reporting agencies; authorizing
26 the office to approve a licensee for the program

27 | before it has been accepted as a data furnisher under
28 | certain circumstances; requiring a program licensee to
29 | provide certain information relating to credit
30 | reporting agencies; specifying requirements for a
31 | program licensee to underwrite program loans;
32 | prohibiting a program licensee from requiring certain
33 | waivers from a borrower; specifying requirements for
34 | permissible waivers; prohibiting certain actions by a
35 | program licensee; providing applicability; creating s.
36 | 516.45, F.S.; requiring a program licensee and a
37 | referral partner to enter into a written referral
38 | partner agreement; specifying permitted services by a
39 | referral partner; specifying procedures for receipt or
40 | disbursement by a referral partner of program loan
41 | payments made by a borrower; providing that a borrower
42 | who submits a loan payment to a referral partner is
43 | not liable under certain circumstances; requiring a
44 | referral partner to maintain certain records;
45 | prohibiting certain activities by a referral partner;
46 | specifying disclosure notice requirements; specifying
47 | requirements and prohibitions for compensation from a
48 | program licensee to a referral partner; requiring a
49 | program licensee to provide the office with a
50 | specified notice after contracting with a referral
51 | partner; requiring the office to approve or deny an
52 | application within 30 days; creating s. 516.46, F.S.;

53 requiring the office to examine program licensees at
 54 specified intervals; providing an exception; requiring
 55 program licensees to pay the cost of examinations;
 56 authorizing the office to maintain an action of
 57 recovery of the cost; authorizing a manner to
 58 determine the cost of examinations; providing
 59 limitations of an investigation; providing for
 60 disciplinary action; creating s. 516.47, F.S.;

61 requiring the office to post a report to its website
 62 summarizing the use of the program by a certain date;
 63 specifying information to be contained in the report;
 64 requiring the office to conduct a specified survey of
 65 borrowers and include the results in the report;
 66 providing for the future repeal of ss. 516.40, 516.41,
 67 516.42, 513.43, 516.44, 516.45, 516.46, and 516.47,
 68 F.S., relating to the Access to Responsible Credit
 69 Pilot Program; providing an effective date.

70
 71 Be It Enacted by the Legislature of the State of Florida:

72
 73 Section 1. Section 516.40, Florida Statutes, is created to
 74 read:

75 516.40 Access to Responsible Credit Pilot Program.—

76 (1) There is created within the Office of Financial
 77 Regulation the Access to Responsible Credit Pilot Program.

78 (2) The Legislature finds that demand for responsible

79 consumer finance installment loans in principal amounts of at
 80 least \$300 and no more than \$3,000 exceeds the supply of these
 81 loans. As a first step toward addressing this gap, the Access to
 82 Responsible Credit Pilot Program would allow more Floridians to
 83 obtain responsible consumer finance installment loans of at
 84 least \$300 and no more than \$3,000. The pilot program is also
 85 intended to assist consumers in building their credit and has
 86 additional consumer protections for these installment loans
 87 which exceed current protections under general law.

88 (3) Except as otherwise provided, ss. 516.40-516.47 do not
 89 exempt a licensee from any other provision of this chapter.

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

92 516.41 Definitions.—As used in ss. 516.40-516.47, the
 93 term:

94 (1) "Consumer reporting agency" means a "consumer
 95 reporting agency that compiles and maintains files on consumers
 96 on a nationwide basis" as defined in s. 603(p) of the Fair
 97 Credit Reporting Act, 15 U.S.C. s. 1681a(p).

98 (2) "Credit score" has the same meaning as provided in s.
 99 609(f) (2) of the Fair Credit Reporting Act, 15 U.S.C. s.
 100 1681g(f) (2) (A).

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

103 (4) "Pilot program" or "program" means the Access to
 104 Responsible Credit Pilot Program.

105 (5) "Pilot program license" means a permit issued under
106 ss. 516.40-516.47 to make and collect consumer loans under the
107 pilot program.

108 (6) "Program licensee" means a person who is licensed to
109 make consumer finance installment loans under this chapter and
110 who is approved by the office to participate in the program.

111 (7) "Program loan" means a consumer finance installment
112 loan made pursuant to the pilot program with a principal amount
113 of at least \$300 and no more than \$3,000.

114 (8) "Referral partner" means a person who markets program
115 loans and administers and processes program loan applications on
116 behalf of a program licensee at the referral partner's physical
117 business location.

118 (a) The term does not include a person whose sole means of
119 bringing a program licensee and a prospective borrower together
120 at that person's physical business location is an electronic
121 access point through which a prospective borrower may directly
122 access the website of a program licensee.

123 (b) A referral partner is not a credit service
124 organization as defined in s. 817.7001 or a loan broker as
125 defined in s. 687.141.

126 (9) "Refinance program loan" means a program loan that
127 replaces and revises an existing program loan contract with a
128 borrower and which results in an extension of the term of the
129 loan or additional principal to that borrower.

130 Section 3. Section 516.42, Florida Statutes, is created to

131 read:

132 516.42 Approval required; program application
133 requirements; fees.—

134 (1) A program licensee may not offer or make a program
135 loan, impose any charges or fees pursuant to s. 516.44, or use a
136 referral partner pursuant to s. 516.45 without prior approval
137 from the office to participate in the program.

138 (2) In order to participate in the program, a program
139 licensee must be licensed to make consumer finance installment
140 loans under this chapter, be in good standing with the office,
141 and not be the subject of an outstanding enforcement action or
142 have a deficiency at the time of the person's application. The
143 applicant must file with the office a digital application in a
144 form and manner prescribed by rule of the commission and pay a
145 fee to the office in an amount determined by rule of the
146 commission. In determining the fee, the commission must consider
147 the office's costs to administer the program.

148 (3) Except as otherwise provided in ss. 516.40-516.47 or
149 by rule of the commission, a program licensee is subject to all
150 the laws and regulations governing consumer finance installment
151 loans under this chapter.

152 (4) A program licensee who desires to participate in the
153 program but who is not licensed to make consumer finance
154 installment loans pursuant to this chapter shall submit a
155 combined application to the office, in a form and manner
156 prescribed by rule of the commission, for licensure under this

157 chapter to make consumer finance installment loans and for
158 admission to the program. The applicant shall pay a fee to the
159 office in an amount equal to the fees that would have been
160 imposed if the applicant had submitted separate applications. To
161 be eligible to apply in this manner, a person must not be the
162 subject of an outstanding enforcement or other disciplinary
163 action by any financial regulatory agency in this state.

164 (5) Notwithstanding s. 516.05(3), the office may grant a
165 person a pilot program license that covers more than one
166 physical business location if the person only offers program
167 loans to prospective borrowers through referral partners
168 approved by the office in accordance with s. 516.45.

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

171 516.43 Annual report.—By March 15 of each year, a program
172 licensee shall file a report with the office containing
173 aggregated data, without reference to any borrower's nonpublic
174 personal information or any proprietary or trade secret
175 information of the program licensee, on each of the items
176 specified in s. 516.47 in a manner prescribed by rule of the
177 commission. The report is in addition to any other annual report
178 the program licensee may be required to file.

179 Section 5. Section 516.44, Florida Statutes, is created to
180 read:

181 516.44 Requirements for program loans.—

182 (1) GENERAL REQUIREMENTS.—A program licensee must comply

183 with each of the following requirements in making program loans:

184 (a) A program loan must be unsecured.

185 (b) A program loan must have a minimum term of 120 days,
186 except it may not have a prepayment penalty.

187 (c) A program loan must include a borrower's right to
188 rescind the program loan by notifying the program licensee of
189 the borrower's intent to rescind the program loan and return the
190 principal advanced by the end of the business day after the day
191 the program loan is consummated.

192 (d) Notwithstanding s. 516.031, the interest rate charged
193 on a program loan to the borrower may not exceed 36 percent. The
194 interest rate must be fixed for the life of the program loan and
195 must accrue on a simple-interest basis through the application
196 of a daily periodic rate to the actual unpaid principal balance
197 each day.

198 (e) For a refinance program loan, the principal amount
199 payable may not include more than 60 days' unpaid interest
200 accrued on the previous program loan in accordance with s.
201 516.031(5). A program licensee may not refinance a program loan
202 made under this section unless the borrower is current on his or
203 her outstanding program loan at the time the borrower submits an
204 application to refinance.

205 (f) A program licensee must provide a receipt for payments
206 made in accordance with s. 687.08.

207 (g) A program licensee must comply with the other
208 provisions of this section.

209 (2) WRITTEN DISCLOSURES.—
 210 (a) Notwithstanding s. 516.15(1), the loan contract and
 211 all written disclosures and statements may be provided in
 212 English or another language in which the loan is negotiated.
 213 (b) A program licensee must provide those disclosures
 214 required of all licensees in s. 516.15 and the following
 215 disclosures in clear and distinct terms to the borrower at the
 216 time of application:
 217 1. The payment amount of each monthly installment.
 218 2. The delinquency charge amount.
 219 3. The following statement: "Repaying your loan early will
 220 lower your borrowing costs by reducing the amount of interest
 221 you will pay. This loan has no prepayment penalty."
 222 4. A statement describing the borrower's right of
 223 rescission as provided in paragraph (1)(c).
 224 (c) The written disclosures required in subparagraphs
 225 (b)1.-4. must be in a typeface of at least 12-point type. A
 226 program licensee may provide the disclosures in a mobile or
 227 other electronic application on which the size of the typeface
 228 of the disclosure can be manually modified by a prospective
 229 borrower, if the prospective borrower is given the option to
 230 print the disclosure in a typeface of at least 12-point size or
 231 is provided a printed copy of the disclosure by the program
 232 licensee with a typeface of at least 12-point size before the
 233 program loan is consummated.
 234 (3) ORIGINATION FEES.—

235 (a) Notwithstanding s. 516.031, a program licensee may
236 contract for and receive an origination fee from a borrower on a
237 program loan. The origination fee is earned immediately upon
238 making the program loan in an amount not to exceed the
239 following:

240 1. Seven percent of the principal amount exclusive of the
241 origination fee or \$90, whichever is less, on the first program
242 loan made to a borrower.

243 2. Six percent of the principal amount exclusive of the
244 origination fee or \$75, whichever is less, on the second and
245 subsequent program loans made to that borrower.

246 (b) A program licensee may not charge the same borrower an
247 origination fee more than once in any 4-month period.

248 (c) A program licensee may not contract for or charge an
249 origination fee in connection with a refinance program loan
250 unless at least 8 months have elapsed since the receipt of a
251 previous origination fee paid by the borrower. For a program
252 loan that is not a refinance program loan, only one origination
253 fee may be contracted for or received until the program loan has
254 been repaid in full.

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

258 (a) Require payment from a borrower of no more than \$25
259 for fees incurred by the program licensee from a dishonored
260 payment due to insufficient funds of the borrower.

261 (b) Contract for and receive a delinquency charge of no
 262 more than \$14 for each payment in default for at least 7 days if
 263 the charge is agreed upon in writing between the parties before
 264 imposing the charge. A delinquency fee imposed by a program
 265 licensee is subject to all of the following:

266 1. No more than one delinquency fee may be imposed per
 267 delinquent payment.

268 2. No more than two delinquency fees may be imposed during
 269 a period of 30 consecutive days.

270 (c) The program licensee may not sell or assign an unpaid
 271 debt to an independent third party for collection unless the
 272 debt has been delinquent for at least 30 days.

273 (5) CREDIT EDUCATION.—Before disbursement of program loan
 274 proceeds to the borrower, the program licensee must:

275 (a) Direct the borrower to the consumer credit counseling
 276 services promoted by the office in accordance with s. 516.32;

277 (b) Invite the borrower to a credit education program or
 278 seminar offered by an independent third party; or

279 (c) Provide the borrower with a credit education program
 280 or materials as approved by the office. The borrower may not be
 281 required to participate in either of these education programs or
 282 seminars. A credit education program or seminar offered pursuant
 283 to this subsection must be provided at no cost to the borrower.

284 (6) CREDIT REPORTING.—

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

287 upon acceptance as a data furnisher by that consumer reporting
288 agency. A program licensee that is accepted as a data furnisher
289 after admittance into the program must report the payment
290 performance of all its borrowers since its inception of lending
291 under the program as soon as practicable, but no more than 6
292 months after its acceptance into the program.

293 (b)1. The office may approve a licensee for the program
294 before the licensee has been accepted as a data furnisher by a
295 consumer reporting agency if the office has a reasonable
296 expectation based on information supplied by the licensee that:

297 a. The licensee will be accepted as a data furnisher once
298 it achieves a lending volume required of data furnishers of its
299 type by a consumer reporting agency; and

300 b. The required lending volume will be achieved within the
301 first 6 months after the licensee commences lending.

302 2. The office shall withdraw approval for pilot program
303 participation from a program licensee that fails to become
304 accepted as a data furnisher by a consumer reporting agency
305 within 6 months after commencing lending under the pilot
306 program.

307 (c) The program licensee must provide each borrower with
308 the name or names of the consumer reporting agency or agencies
309 to which it will report the borrower's payment history. A
310 program licensee that is accepted as a data furnisher after
311 admittance into the program must provide its borrowers with the
312 name or names of the consumer reporting agency or agencies to

313 which it will report those borrowers' payment histories as soon
314 as practicable after the program licensee becomes a data
315 furnisher.

316 (7) PROGRAM LOAN UNDERWRITING.—

317 (a) The program licensee shall underwrite each program
318 loan to determine a borrower's ability and willingness to repay
319 the program loan. The program licensee may not make a program
320 loan if it determines that the borrower's total monthly debt
321 service payments at the time of origination, including the
322 program loan for which the borrower is being considered and all
323 of a borrower's outstanding debt, exceed 50 percent of the
324 borrower's gross monthly income.

325 (b)1. The program licensee shall seek information and
326 documentation pertaining to all of a borrower's outstanding debt
327 obligations during the loan application and underwriting
328 process, including loans that are self-reported by the borrower
329 but not available through independent verification. The program
330 licensee shall verify that information using a credit report
331 from at least one consumer reporting agency or through other
332 available electronic debt verification services that provide
333 reliable evidence of a borrower's outstanding debt obligations.

334 2. The program licensee is not required to consider a
335 borrower's loans from friends or family for purposes of
336 determining the borrower's debt-to-income ratio.

337 (c) The program licensee shall also verify the borrower's
338 income to determine the debt-to-income ratio using information

339 from either:

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

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

346 (8) PROVISIONS ON WAIVERS.—

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

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

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

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

358 (b) A waiver by a borrower, other than one prohibited
359 under paragraph (a), must be knowing, voluntary, in writing, and
360 not made as a condition of doing business with the program
361 licensee. A waiver that is required as a condition of doing
362 business with the program licensee is presumed involuntary,
363 unconscionable, against public policy, and unenforceable. The
364 program licensee has the burden of proving that a waiver of any

365 rights, penalties, forums, or procedures was knowing, voluntary,
366 and not expressly made a condition of the contract with the
367 borrower.

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

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

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

386 516.45 Referral partners.—

387 (1) REFERRAL PARTNER AGREEMENT.—All arrangements between a
388 program licensee and a referral partner must be specified in a
389 written referral partner agreement between the parties. The
390 agreement must contain a provision that the referral partner

391 agrees to comply with this section and all rules adopted under
392 this section regarding the activities of referral partners, and
393 that the office has access to the referral partner's books and
394 records pertaining to the referral partner's operations under
395 the agreement with the program licensee in accordance with s.
396 516.46(4).

397 (2) PERMITTED SERVICES.—A program licensee may use the
398 services of one or more referral partners as provided in this
399 section. A referral partner may perform one or more of the
400 following services for a program licensee at the referral
401 partner's physical business location:

402 (a) Distributing, circulating, using, or publishing
403 printed brochures, flyers, fact sheets, or other written
404 materials relating to program loans, which are created or
405 approved by the program licensee. The written materials must be
406 reviewed and approved in writing by the program licensee before
407 being distributed, circulated, or published.

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

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

416 (d) Entering information provided by the prospective

417 borrower on a preprinted or electronic application form or in a
418 preformatted computer database.

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

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

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

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

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

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

440 (3) RECEIPT OR DISBURSEMENT OF PROGRAM LOAN PAYMENTS.—

441 (a) A loan payment made by a borrower to a referral
442 partner must be applied to the borrower's program loan and

443 deemed received by the program licensee as of the date the
444 payment is received by the referral partner.

445 (b) A referral partner that receives loan payments must
446 deliver or cause to be delivered to the borrower, at the time
447 that the payment is made by the borrower, a plain and complete
448 receipt showing all of the following:

449 1. The name of the referral partner.

450 2. The total payment amount received.

451 3. The date of payment.

452 4. The program loan balance before and after application
453 of the payment.

454 5. The amount of the payment that was applied to
455 principal, interest, and fees.

456 6. The type of payment made by the borrower.

457 7. The following statement, prominently displayed in a
458 type size equal to or greater than the type size used to display
459 the other items on the receipt: "If you have any questions about
460 your loan now or in the future, you should direct those
461 questions to ...(name of program licensee)... by ...(at least
462 two different ways in which a borrower may contact the program
463 licensee)...."

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

468 (d) A referral partner that disburses or receives loan

469 payments must maintain records of all disbursements made and
470 loan payments received for a period of at least 2 years, or for
471 1 month following the completion of a regular examination by the
472 office under s. 516.46, whichever is later.

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

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

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

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

482 (d) Offering information pertaining to a single
483 prospective borrower to more than one program licensee, except
484 if a program licensee has declined to offer a program loan to a
485 prospective borrower and has notified that prospective borrower
486 in writing, the referral partner may then offer information
487 pertaining to that prospective borrower to another program
488 licensee with whom it has a referral partner agreement.

489 (5) DISCLOSURE NOTICE AND COMMUNICATION.—

490 (a) At the time the referral partner receives or processes
491 an application for a program loan, the referral partner must
492 provide the following statement to the applicant on behalf of
493 the program licensee, in no smaller than 10-point type, and must
494 request that the applicant acknowledge receipt of the statement

495 in writing:

496
497 Your loan application has been referred to us by ... (name of
498 referral partner).... We may pay a fee to ... (name of referral
499 partner)... for the successful referral of your loan
500 application. If you are approved for the loan, ... (name of
501 program licensee)... will become your lender. If you have any
502 questions about your loan, now or in the future, you should
503 direct those questions to ... (name of program licensee)... by
504 ... (insert at least two different ways in which a borrower may
505 contact the program licensee).... If you wish to report a
506 complaint about ... (name of referral partner)... or ... (name of
507 program licensee)... regarding this loan transaction, you may
508 contact the Division of Consumer Finance of the Office of
509 Financial Regulation at ... (telephone number)....

510
511 (b) If the loan applicant has questions about the program
512 loan which the referral partner is not permitted to answer, the
513 referral partner must make a good faith effort to assist the
514 applicant in making direct contact with the program licensee
515 before the program loan is consummated.

516 (c) If the program loan is consummated, the program
517 licensee must provide to the borrower a written copy of the
518 disclosure notice within 2 weeks after the date of the program
519 loan consummation. A program licensee may include the disclosure
520 in its loan contract or as a separate document to the borrower

521 via any means acceptable to the borrower.

522 (6) COMPENSATION.—

523 (a) The program licensee may compensate a referral partner
524 in accordance with a written agreement and a compensation
525 schedule that is mutually agreed to by the program licensee and
526 the referral partner, subject to the requirements in paragraph
527 (b).

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

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

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

535 3. Compensation may not be directly or indirectly passed
536 on to a borrower through fees or other charges.

537 4. The total compensation received by a referral partner
538 from a program licensee for the services specified in subsection
539 (2) may not exceed the sum of:

540 a. Sixty dollars per program loan, on average, assessed
541 annually whether paid at the time of consummation, through
542 installments, or in a manner otherwise agreed upon by the
543 program licensee and the referral partner; and

544 b. Two dollars per payment received by the referral
545 partner on behalf of the program licensee for the duration of
546 the program loan, if the referral partner receives borrower loan

547 payments on the program licensee's behalf in accordance with s.
548 516.45(3).

549 5. The referral partner's location for services and other
550 information required by subsection (7) must be reported to the
551 office, and the referral partner may not be barred from
552 providing services at that location by the office.

553 (c) Neither the program licensee nor a referral partner
554 may pass on to a borrower, whether directly or indirectly, any
555 additional cost or other charge for compensation paid to a
556 referral partner under this program.

557 (7) NOTICE TO OFFICE.—A program licensee that uses the
558 service of a referral partner must notify the office within 15
559 days after entering into a contract with a referral partner, on
560 a form prescribed by rule of the commission, regarding all of
561 the following:

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

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

568 (c) The name and contact information of one or more
569 employees of the referral partner who are responsible for
570 providing services on behalf of the program licensee pursuant to
571 the referral partner agreement.

572 (d) Any other information requested by the office, subject

573 to the limitations specified in s. 516.46(4).

574 (8) APPROVAL OF REFERRAL PARTNERS.—A program licensee's
575 application to use a referral partner must be submitted to the
576 office electronically on a form approved by the office. The
577 office shall approve or deny the application within 30 days
578 after the office receives the completed application and payment
579 of the applicable fee. Unless the office denies the application
580 within the 30-day period, the application is deemed approved by
581 the office.

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

584 516.46 Examinations and grounds for disciplinary action.—

585 (1) Notwithstanding any other law, the office must examine
586 each program licensee that is accepted into the program in
587 accordance with this chapter, provided that such examination
588 occurs at least once every 24 months.

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

594 (3) The examined program licensee must pay for the cost of
595 an examination to the office and the office may maintain an
596 action for the recovery of the cost in any court of competent
597 jurisdiction. In determining the cost of the examination, the
598 office may use the estimated average hourly cost for all persons

599 performing examinations of program licensees or other persons
600 subject to ss. 516.40-516.47 for the fiscal year.

601 (4) The scope of any investigation or examination of a
602 program licensee or referral partner shall be limited to those
603 books, accounts, records, documents, materials, and matters
604 necessary to determine compliance with this chapter.
605 Notwithstanding ss. 516.11 and 516.12, a program licensee may
606 provide information or materials demonstrating compliance with
607 this chapter in an aggregated or anonymized format that excludes
608 proprietary and trade secret information, and may redact
609 proprietary and trade secret information in its books, accounts,
610 records, documents, materials, and matters.

611 (5) A program licensee or referral partner who violates
612 any applicable provision of this chapter is subject to
613 disciplinary action pursuant to s. 516.07(2). A program licensee
614 is also subject to disciplinary action for a violation of s.
615 516.45 committed by any of its referral partners.

616 Section 8. Section 516.47, Florida Statutes, is created to
617 read:

618 516.47 Report by the office.—

619 (1) By January 1, 2018, the office must post a report on
620 its website summarizing the use of the program.

621 (2) The report must summarize information in the aggregate
622 and not identify any individual program licensee.

623 (3) The office's report must specify the period to which
624 the report corresponds and must include, but not be limited to,

625 the following for that period:

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

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

630 (c) The reasons for rejecting applications for
631 participation, if applicable. This information must be provided
632 in a manner that does not identify the entity or entities
633 rejected.

634 (d) The number of program loan applications received by
635 program licensees participating in the program, the number of
636 program loans made pursuant to the program, the total amount
637 loaned, the distribution of loan lengths upon origination, and
638 the distribution of interest rates and principal amounts upon
639 origination among those program loans.

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

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

648 (g) The income distribution of borrowers upon program loan
649 origination, including the number of borrowers who obtained at
650 least one program loan and who resided in a low-income or

651 moderate-income census tract at the time of their loan
652 applications.

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

- 657 1. Pay medical expenses.
- 658 2. Pay for vehicle repair or a vehicle purchase.
- 659 3. Pay bills.
- 660 4. Consolidate debt.
- 661 5. Build or repair credit history.
- 662 6. Pay other expenses.

663 (i) The number of borrowers with a bank account at the
664 time of their loan application and the number of borrowers
665 without a bank account at the time of their loan application.

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

- 668 1. The number and percentage of borrowers who applied for
669 a refinance program loan.
- 670 2. Of those borrowers who applied for a refinance program
671 loan, the number and percentage of borrowers who obtained a
672 refinance program loan.

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

675 (l) The number and percentage of borrowers who obtained
676 one or more program loans on which delinquency charges were

677 assessed, the total amount of delinquency charges assessed, and
678 the average delinquency charge assessed by dollar amount and as
679 a percentage of the principal amount loaned.

680 (m)1. The performance of program loans under the program
681 as reflected by all of the following:

682 a. The number and percentage of borrowers who experienced
683 at least one delinquency lasting between 7 and 29 days and the
684 distribution of principal loan amounts corresponding to those
685 delinquencies.

686 b. The number and percentage of borrowers who experienced
687 at least one delinquency lasting between 30 and 59 days and the
688 distribution of principal loan amounts corresponding to those
689 delinquencies.

690 c. The number and percentage of borrowers who experienced
691 at least one delinquency lasting 60 days or more and the
692 distribution of principal loan amounts corresponding to those
693 delinquencies.

694 2. To the extent data are readily available to the office,
695 the office shall include in its report comparable delinquency
696 data for unsecured loans made by licensed persons under ss.
697 516.001-516.36 and part IV of chapter 560 for principal loan
698 amounts between \$300 and \$3,000, and for unsecured extensions of
699 credit made by state-chartered banks and credit unions under the
700 office's jurisdiction in principal loan amounts between \$300 and
701 \$3,000.

702 (n) The number and types of violations of ss. 516.40-

703 516.47 by referral partners which were documented by the office.

704 (o) The number and types of violations of ss. 516.40-
 705 516.47 by program licensees which were documented by the office.

706 (p) The number of times that the office disqualified a
 707 referral partner from performing services, barred a referral
 708 partner from performing services at one or more specific
 709 locations, terminated a written agreement between a referral
 710 partner and a program licensee, or imposed an administrative
 711 penalty.

712 (q) The number of complaints received by the office about
 713 a program licensee or a referral partner and the nature of those
 714 complaints.

715 (r) Recommendations for improving the program.

716 (s) Recommendations regarding whether the program should
 717 be continued after January 1, 2022.

718 (4) The office shall conduct a random sample survey of
 719 borrowers who have participated in the program to obtain
 720 information regarding the borrowers' experience and program
 721 licensees' compliance with ss. 516.40-516.47. The results of
 722 this survey shall be included in the report required by this
 723 section.

724 Section 9. Sections 516.40, 516.41, 516.42, 513.43,
 725 516.44, 516.45, 516.46, and 516.47, Florida Statutes, are
 726 repealed January 1, 2022.

727 Section 10. This act shall take effect January 1, 2017.