

By Senator Flores

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1 A bill to be entitled
2 An act relating to consumer finance loans; creating s.
3 516.40, F.S.; establishing the Increased Access to
4 Responsible Small Dollar Loans Pilot Program;
5 providing legislative findings and intent; providing
6 applicability; creating s. 516.41, F.S.; defining
7 terms; creating s. 516.42, F.S.; prohibiting a person
8 from certain activities without prior approval from
9 the Office of Financial Regulation; specifying
10 requirements for participating in the program to make
11 certain consumer finance installment loans; specifying
12 requirements for an application and fee; authorizing
13 the office to grant a person a license covering more
14 than one physical location under certain
15 circumstances; creating s. 516.43, F.S.; requiring a
16 program licensee to file annual reports; creating s.
17 516.44, F.S.; providing general requirements for a
18 program loan; requiring a program licensee to provide
19 specified written disclosures to a borrower;
20 specifying requirements for origination fees;
21 specifying requirements for insufficient funds fees
22 and delinquency charges; requiring a program licensee
23 to offer certain credit education to a borrower;
24 specifying requirements for reporting borrower payment
25 performance to credit reporting agencies; defining the
26 term "consumer reporting agency that compiles and
27 maintains files on consumers on a nationwide basis";
28 authorizing the office to approve a licensee for the
29 program before it has been accepted as a data
30 furnisher under certain circumstances; requiring a
31 program licensee to provide certain information
32 relating to credit reporting agencies; specifying

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33 requirements for a program licensee to underwrite
34 program loans; prohibiting a program licensee from
35 requiring certain waivers from a borrower; specifying
36 requirements for permissible waivers; prohibiting
37 certain actions by a program licensee; providing
38 applicability; creating s. 516.45, F.S.; requiring a
39 program licensee and a referral partner to enter into
40 a written referral partner agreement; specifying
41 permitted services by a referral partner; specifying
42 procedures for receipt or disbursement by a referral
43 partner of program loan payments made by a borrower;
44 providing that a borrower who submits a loan payment
45 to a referral partner is not liable under certain
46 circumstances; requiring a referral partner to
47 maintain certain records; prohibiting certain
48 activities by a referral partner; specifying
49 disclosure notice requirements; specifying two-way
50 communication requirements between a program licensee
51 and an applicant; defining the term "two-way
52 communication"; specifying requirements and
53 prohibitions for compensation from a program licensee
54 to a referral partner; requiring a program licensee to
55 provide the office with a specified notice after
56 contracting with a referral partner; creating s.
57 516.46, F.S.; requiring the office to examine program
58 licensees at specified intervals; providing an
59 exception; requiring program licensees to pay the cost
60 of examinations; authorizing the office to maintain an
61 action of recovery of the cost; authorizing a manner

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62 to determine the cost of examinations; creating s.
63 516.47, F.S.; requiring the office to post a report to
64 its website summarizing the use of the program by a
65 certain date; specifying information to be contained
66 in the report; requiring the office to conduct a
67 specified survey of borrowers and include the results
68 in the report; providing for conditional future repeal
69 of the 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 Increased Access to Responsible Small Dollar Loans
76 Pilot Program.—

77 (1) The Increased Access to Responsible Small Dollar Loans
78 Pilot Program is hereby established.

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

90 (3) Except as otherwise provided, ss. 516.40-516.47 do not

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91 exempt a licensee from any other provision of this chapter.

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

94 516.41 Definitions.—For purposes of ss. 516.40-516.47, the
95 term:

96 (1) "Pilot program" or "program" means the Increased Access
97 to Responsible Small Dollar Loans Pilot Program.

98 (2) "Program licensee" means a person who is licensed to
99 make consumer finance installment loans under this chapter and
100 who is approved by the office to participate in the program.

101 (3) "Program loan" means a consumer finance installment
102 loan with a principal amount of at least \$300 and no more than
103 \$3,000.

104 (4) "Referral partner" means a person who markets program
105 loans, and administers and processes program loan applications
106 on behalf of a program licensee at the referral partner's
107 physical business location.

108 (a) The term does not include a person whose sole means of
109 bringing a program licensee and a prospective borrower together
110 at that person's physical business location is an electronic
111 access point through which a prospective borrower may directly
112 access the website of a program licensee.

113 (b) A referral partner is not a credit service organization
114 as that term is defined in s. 817.7001 or a loan broker as
115 defined in s. 687.141.

116 (5) "Refinance program loan" means a program loan that
117 replaces and revises an existing program loan contract with a
118 borrower and which results in an extension of additional
119 principal to that borrower.

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

122 516.42 Approval required; program application requirements;
123 fees.—

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

128 (2) In order to participate in the program, a program
129 licensee must be licensed to make consumer finance installment
130 loans under this chapter, be in good standing with the office,
131 and not be the subject of an outstanding enforcement action or
132 have a deficiency at the time of the person's application. The
133 applicant must file with the office an application in a form and
134 manner prescribed by rule of the commission and pay a fee to the
135 office in an amount determined by rule of the commission. In
136 determining the fee, the commission must consider the office's
137 costs to administer the program.

138 (3) A program licensee who desires to participate in the
139 program but who is not licensed to make consumer finance
140 installment loans pursuant to this chapter shall submit a
141 combined application to the office, in a form and manner
142 prescribed by rule of the commission, for licensure under this
143 chapter to make consumer finance installment loans and for
144 admission to the program. The applicant shall pay a fee to the
145 office in an amount equal to the fees that would have been
146 imposed if the applicant had submitted separate applications. To
147 be eligible to apply in this manner, a person must not be the
148 subject of an outstanding enforcement or other disciplinary

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149 action by any financial regulatory agency in this state.

150 (4) Notwithstanding s. 516.05, the office may grant a
151 person a license that covers more than one physical business
152 location if the person only offers program loans to prospective
153 borrowers via an electronic access point through which the
154 person's website may be directly accessed.

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

157 516.43 Annual report.—On or before March 15 of each year, a
158 program licensee shall file a report with the office in a manner
159 prescribed by rule of the commission. The report is in addition
160 to any other annual report the program licensee may be required
161 to file.

162 Section 5. Section 516.44, Florida Statutes, is created to
163 read:

164 516.44 Requirements for program loans.—

165 (1) GENERAL REQUIREMENTS.—A program licensee must comply
166 with each of the following requirements in making program loans:

167 (a) A program loan must be unsecured.

168 (b) A program loan must have a minimum term of 90 days,
169 except it may not have a prepayment penalty.

170 (c) A program loan must include a borrower's right to
171 rescind the program loan by notifying the program licensee of
172 the borrower's intent to rescind the program loan and return the
173 principal advanced by the end of the business day after the day
174 the program loan is consummated.

175 (d) Notwithstanding s. 516.031, the interest rate charged
176 on a program loan to the borrower may not exceed 36 percent. The
177 interest rate must be fixed for the life of the program loan and

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178 must accrue on a simple-interest basis through the application
179 of a daily periodic rate to the actual unpaid principal balance
180 each day.

181 (e) For a refinance program loan, the principal amount
182 payable may not include more than 60 days' unpaid interest
183 accrued on the previous program loan in accordance with s.
184 516.031(5). A program licensee may not refinance a program loan
185 made under this section unless the borrower is current on his or
186 her outstanding program loan at the time the borrower submits an
187 application to refinance.

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

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

192 (2) WRITTEN DISCLOSURES.—

193 (a) A program licensee must provide the following written
194 disclosures in clear and distinct terms to the borrower at the
195 time of application:

196 1. The amount and date of the program loan and the date of
197 its maturity.

198 2. The name and address of the borrower and of the program
199 licensee.

200 3. The rate of interest charged.

201 4. The payment amount of each monthly installment.

202 5. The delinquency charge amount.

203 6. The following statement: "Repaying your loan early will
204 lower your borrowing costs by reducing the amount of interest
205 you will pay. This loan has no prepayment penalty."

206 7. A statement describing the borrower's right of

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207 rescission as provided in paragraph (1) (c).

208 (b) The written disclosures required in paragraph (a) must
209 be in a typeface of at least 12-point type. A program licensee
210 may provide the disclosures in a mobile or other electronic
211 application on which the size of the typeface of the disclosure
212 can be manually modified by a prospective borrower, if the
213 prospective borrower is given the option to print the disclosure
214 in a typeface of at least 12-point size or is provided a printed
215 copy of the disclosure by the program licensee with a typeface
216 of at least 12-point size before the program loan is
217 consummated.

218 (3) ORIGINATION FEES.—

219 (a) Notwithstanding s. 516.031, a program licensee may
220 contract for and receive an origination fee from a borrower on a
221 program loan. The origination fee must be fully earned
222 immediately upon making the program loan in an amount not to
223 exceed the following:

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

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

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

232 (c) Notwithstanding paragraph (1) (e), a program licensee
233 may not contract for or charge an origination fee in connection
234 with a refinance program loan unless at least 8 months have
235 elapsed since the receipt of a previous origination fee paid by

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236 the borrower. For a program loan that is not a refinance program
237 loan, only one origination fee may be contracted for or received
238 until the program loan has been repaid in full.

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

242 (a) Require reimbursement from a borrower of no more than
243 \$25 for fees incurred by the program licensee from a dishonored
244 payment due to insufficient funds of the borrower.

245 (b) Contract for and receive a delinquency charge of no
246 more than \$15 for each payment in default for at least 10 days
247 if the charge is agreed upon in writing between the parties
248 before imposing the charge in accordance with s. 516.031(3)(a)9.
249 A delinquency fee imposed by a program licensee is subject to
250 all of the following:

251 1. No more than one delinquency fee may be imposed per
252 delinquent payment.

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

255 3. The program licensee or its wholly owned subsidiaries
256 must attempt to collect a delinquent payment for a period of at
257 least 30 days after the start of the delinquency before selling
258 or assigning that unpaid debt to an independent party for
259 collection.

260 (5) CREDIT EDUCATION.-Before disbursement of program loan
261 proceeds to the borrower, the program licensee must either
262 direct the borrower to the consumer credit counseling services
263 promoted by the office in accordance with s. 516.32 or invite
264 the borrower to a credit education program or seminar offered by

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265 an independent third party. The borrower may not be required to
266 participate in either of these education programs or seminars. A
267 credit education program or seminar offered pursuant to this
268 subsection must be provided at no cost to the borrower.

269 (6) CREDIT REPORTING.—

270 (a) The program licensee must report each borrower's
271 payment performance to at least one consumer reporting agency
272 that compiles and maintains files on consumers on a nationwide
273 basis upon acceptance as a data furnisher by that consumer
274 reporting agency. For purposes of this section, the term
275 "consumer reporting agency that compiles and maintains files on
276 consumers on a nationwide basis" has the same meaning as in s.
277 603(p) of the Fair Credit Reporting Act, 15 U.S.C. s. 1681a(p).
278 A program licensee that is accepted as a data furnisher after
279 admittance into the program must report the payment performance
280 of all its borrowers since its inception of lending under the
281 program as soon as practicable, but no more than 6 months after
282 its acceptance into the program.

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

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

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

292 2. The office shall withdraw approval for pilot program
293 participation from a program licensee that fails to become

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294 accepted as a data furnisher by a consumer reporting agency
295 within 6 months after commencing lending under the pilot
296 program.

297 (c) The program licensee must provide each borrower with
298 the name or names of the consumer reporting agency or agencies
299 to which it will report the borrower's payment history. A
300 program licensee that is accepted as a data furnisher after
301 admittance into the program must provide its borrowers as soon
302 as practicable following acceptance as a data furnisher with the
303 name or names of the consumer reporting agency or agencies to
304 which it will report those borrowers' payment histories.

305 (7) PROGRAM LOAN UNDERWRITING.—

306 (a) The program licensee shall underwrite each program loan
307 to determine a borrower's ability and willingness to repay the
308 program loan pursuant to its terms. The program licensee may not
309 make a program loan if it determines that the borrower's total
310 monthly debt service payments at the time of origination,
311 including the program loan for which the borrower is being
312 considered and all outstanding forms of credit that can be
313 independently verified by the program licensee, exceed 50
314 percent of the borrower's gross monthly income.

315 (b)1. The program licensee shall seek information and
316 documentation pertaining to all of a borrower's outstanding debt
317 obligations during the loan application and underwriting
318 process, including loans that are self-reported by the borrower
319 but not available through independent verification. The program
320 licensee shall verify that information using a credit report
321 from at least one consumer reporting agency that compiles and
322 maintains files on consumers on a nationwide basis or through

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323 other available electronic debt verification services that
324 provide reliable evidence of a borrower's outstanding debt
325 obligations.

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

329 (c) The program licensee shall also verify the borrower's
330 income to determine the debt-to-income ratio using information
331 from either of the following:

332 1. Electronic means or services that provide reliable
333 evidence of the borrower's actual income.

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

338 (8) PROVISIONS ON WAIVERS.-

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

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

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

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

350 (b) A waiver by a borrower, other than one prohibited under
351 paragraph (a), must be knowing, voluntary, and in writing and

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352 not expressly made a condition of doing business with the
353 program licensee. A waiver that is required as a condition of
354 doing business with the program licensee is presumed
355 involuntary, unconscionable, against public policy, and
356 unenforceable. The program licensee has the burden of proving
357 that a waiver of any rights, penalties, forums, or procedures
358 was knowing, voluntary, and not expressly made a condition of
359 the contract with the borrower.

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

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

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

378 516.45 Referral partners.—

379 (1) REFERRAL PARTNER AGREEMENT.—All arrangements between a
380 program licensee and a referral partner must be set forth in a

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381 written referral partner agreement between the parties. The
382 agreement must contain a provision that the referral partner
383 agrees to comply with this section and all rules adopted under
384 this section regarding the activities of referral partners, and
385 that the office has access to all of the referral partner's
386 books and records pertaining to the referral partner's
387 operations under the agreement with the program licensee.

388 (2) PERMITTED SERVICES.—A program licensee may use the
389 services of one or more referral partners as provided in this
390 section. A referral partner may perform one or more of the
391 following services for a program licensee at the referral
392 partner's physical business location:

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

399 (b) Providing written factual information about program
400 loan terms, conditions, or qualification requirements to a
401 prospective borrower which have either been prepared by the
402 program licensee or reviewed and approved in writing by the
403 program licensee. A referral partner may discuss the information
404 with a prospective borrower in general terms but may not provide
405 counseling or advice to a prospective borrower.

406 (c) Notifying a prospective borrower of the information
407 needed in order to complete a program loan application without
408 providing counseling or advice to the prospective borrower.

409 (d) Entering information provided by the prospective

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410 borrower on a preprinted or electronic application form or in a
411 preformatted computer database without providing counseling or
412 advice to a prospective borrower.

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

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

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

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

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

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

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

435 (a) A loan payment made by a borrower to a referral partner
436 under paragraph (2)(j) must be applied to the borrower's program
437 loan and deemed received by the program licensee as of the date
438 the payment is received by the referral partner.

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- 439 (b) A referral partner that receives loan payments must
440 deliver or cause to be delivered to the borrower, at the time
441 that the payment is made by the borrower, a plain and complete
442 receipt showing all of the following:
- 443 1. The name of the referral partner.
 - 444 2. The total payment amount received.
 - 445 3. The date of payment.
 - 446 4. The program loan balance before and after application of
447 the payment.
 - 448 5. The amount of the payment that was applied to principal,
449 interest, and fees.
 - 450 6. The type of payment made by the borrower.
 - 451 7. The following statement, prominently displayed in a type
452 size equal to or greater than the type size used to display the
453 other items on the receipt: "If you have any questions about
454 your loan now or in the future, you should direct those
455 questions to (Name of program licensee) by (At least two
456 different ways in which a borrower may contact the program
457 licensee)."
- 458 (c) A borrower who submits a loan payment to a referral
459 partner under this subsection is not liable for a failure or
460 delay by the referral partner in transmitting the payment to the
461 program licensee.
- 462 (d) A referral partner that disburses or receives loan
463 payments pursuant to paragraph (2)(i) or paragraph (2)(j) must
464 maintain records of all disbursements made and loan payments
465 received for a period of at least 2 years, or for 1 month
466 following the completion of a regular examination by the office
467 under s. 516.46, whichever is later.

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

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

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

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

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

484 (5) DISCLOSURE NOTICE AND COMMUNICATION.—

485 (a) At the time the referral partner receives or processes
486 an application for a program loan, the referral partner must
487 provide the following statement to the applicant on behalf of
488 the program licensee, in no smaller than 10-point type, and must
489 request that the applicant acknowledge receipt of the statement
490 in writing:

491
492 Your loan application has been referred to us by (Name of
493 referral partner). We may pay a fee to (Name of referral
494 partner) for the successful referral of your loan application.
495 IF YOU ARE APPROVED FOR THE LOAN, (Name of program licensee)
496 WILL BECOME YOUR LENDER. If you have any questions about your

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497 loan, now or in the future, you should direct those questions to
498 (Name of program licensee) by (Insert at least two different
499 ways in which a borrower may contact the program licensee). If
500 you wish to report a complaint about (Name of referral partner)
501 or (Name of program licensee) regarding this loan transaction,
502 you may contact the Division of Consumer Finance of the Office
503 of Financial Regulation at 850-487-9687.

504
505 (b) If the loan applicant has questions about the program
506 loan which the referral partner is not permitted to answer, the
507 referral partner must make a good faith effort to assist the
508 applicant in making direct contact with the program licensee
509 before the program loan is consummated. This effort must at a
510 minimum include assisting the applicant with establishing a two-
511 way communication with the program licensee as soon as
512 reasonably practicable.

513 (c) The program licensee must ensure that a program loan is
514 not consummated until the program licensee has completed a two-
515 way communication with the applicant.

516 (d) For purposes of this subsection, the term "two-way
517 communication" includes telephone, e-mail, or another form of
518 communication which allows both the applicant and program
519 licensee to communicate and respond. The term does not include
520 the sending of a voicemail or electronic message to the
521 applicant without a prior inquiry or subsequent response from
522 the applicant.

523 (e) If the program loan is consummated, the program
524 licensee must provide to the borrower a written copy of the
525 disclosure notice within 2 weeks after the date of the program

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526 loan consummation. A program licensee may include the disclosure
527 in its loan contract or as a separate document to the borrower
528 via any means acceptable to the borrower.

529 (6) COMPENSATION.—

530 (a) The program licensee may compensate a referral partner
531 in accordance with a written agreement and a compensation
532 schedule that is mutually agreed to by the program licensee and
533 the referral partner, subject to the requirements in paragraph
534 (b).

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

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

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

542 3. The total compensation paid by a program licensee to a
543 referral partner over the life of a program loan may not exceed
544 the sum of the origination fee and interest charges paid by the
545 borrower in connection with that program loan.

546 4. Subject to the limitations set forth in subparagraphs
547 1., 2., and 3., the total compensation paid by a program
548 licensee to a referral partner for the services set forth in
549 subsection (2) may not exceed the sum of:

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

554 b. Two dollars per payment received by the referral partner

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555 on behalf of the program licensee for the duration of the
556 program loan, if the referral partner receives borrower loan
557 payments on the program licensee's behalf in accordance with s.
558 516.45(3).

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

563 (c) A program licensee may not directly or indirectly pass
564 on to a borrower a fee or other compensation, or a portion of a
565 fee or other compensation, which the program licensee pays to a
566 referral partner in connection with that borrower's program
567 loan.

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

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

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

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

583 (d) Any other information requested by the office.

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

586 516.46 Examinations.—

587 (1) Notwithstanding any other law, the office must examine
588 each program licensee that is accepted into the program at least
589 once every 24 months.

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

595 (3) The examined program licensee must pay for the cost of
596 an examination to the office and the office may maintain an
597 action for the recovery of the cost in any court of competent
598 jurisdiction. In determining the cost of the examination, the
599 office may use the estimated average hourly cost for all persons
600 performing examinations of program licensees or other persons
601 subject to ss. 516.40-516.47 for the fiscal year.

602 Section 8. Section 516.47, Florida Statutes, is created to
603 read:

604 516.47 Report by the office.—

605 (1) On or before January 1, 2018, the office must post a
606 report on its website summarizing the use of the program.

607 (2) If there is more than one program licensee approved to
608 participate in the program, the office's report must state the
609 information in aggregate so as not to identify data by specific
610 program licensee.

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

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613 the following for that period:

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

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

618 (c) The reasons for rejecting applications for
619 participation, if applicable. This information must be provided
620 in a manner that does not identify the entity or entities
621 rejected.

622 (d) The number of program loan applications received by
623 program licensees participating in the program, the number of
624 program loans made pursuant to the program, the total amount
625 loaned, the distribution of loan lengths upon origination, and
626 the distribution of interest rates and principal amounts upon
627 origination among those program loans.

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

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

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

641 (h) The number of borrowers who obtained program loans for

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642 the following purposes, based on borrower responses at the time
643 of their loan applications indicating the primary purpose for
644 which the program loan was obtained:

- 645 1. Pay medical expenses.
- 646 2. Pay for vehicle repair or a vehicle purchase.
- 647 3. Pay bills.
- 648 4. Consolidate debt.
- 649 5. Build or repair credit history.
- 650 6. Pay other expenses.

651 (i) The number of borrowers who self-report that they had a
652 bank account at the time of their loan application and the
653 number of borrowers who self-report that they did not have a
654 bank account at the time of their loan application.

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

- 657 1. The number and percentage of borrowers who applied for a
658 refinance program loan.
- 659 2. Of those borrowers who applied for a refinance program
660 loan, the number and percentage of borrowers who obtained a
661 refinance program loan.

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

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

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

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671 a. The number and percentage of borrowers who experienced
672 at least one delinquency lasting between 7 and 29 days and the
673 distribution of principal loan amounts corresponding to those
674 delinquencies.

675 b. The number and percentage of borrowers who experienced
676 at least one delinquency lasting between 30 and 59 days and the
677 distribution of principal loan amounts corresponding to those
678 delinquencies.

679 c. The number and percentage of borrowers who experienced
680 at least one delinquency lasting 60 days or more and the
681 distribution of principal loan amounts corresponding to those
682 delinquencies.

683 2. To the extent data are readily available to the office,
684 the office shall include in its report comparable delinquency
685 data for unsecured loans made by licensed persons under ss.
686 516.001-516.36 and part IV of chapter 560 for principal loan
687 amounts between \$300 and \$3,000, and for unsecured extensions of
688 credit made by state-chartered banks and credit unions under the
689 office's jurisdiction in principal loan amounts between \$300 and
690 \$3,000.

691 (n) The number and types of violations of ss. 516.40-516.47
692 by referral partners which were documented by the office.

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

695 (p) The number of times that the office disqualified a
696 referral partner from performing services, barred a referral
697 partner from performing services at one or more specific
698 locations of the referral partner, terminated a written
699 agreement between a referral partner and a program licensee, or

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700 imposed an administrative penalty.

701 (q) The number of complaints received by the office about a
702 program licensee or a referral partner and the nature of those
703 complaints.

704 (r) Recommendations for improving the program.

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

707 (4) The office shall conduct a random sample survey of
708 borrowers who have participated in the program to obtain
709 information regarding the borrowers' experience and program
710 licensees' compliance with ss. 516.40-516.47. The results of
711 this survey shall be included in the report required by this
712 section.

713 Section 9. Sections 516.40-516.47, Florida Statutes, are
714 repealed on January 1, 2022, unless reenacted or superseded by
715 another law enacted by the Legislature before that date.

716 Section 10. This act shall take effect July 1, 2016.