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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/16/2021	.	
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The Committee on Banking and Insurance (Gibson) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsection (1) of section 516.03, Florida
Statutes, is amended to read:

516.03 Application for license; fees; etc.—

(1) APPLICATION.—Application for a license to make loans
under this chapter shall be in the form prescribed by rule of
the commission. The commission may require each applicant to



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11 provide any information reasonably necessary to determine the
12 applicant's eligibility for licensure. The applicant shall also
13 provide information that the office requires concerning any
14 officer, director, control person, member, partner, or joint
15 venturer of the applicant or any person having the same or
16 substantially similar status or performing substantially similar
17 functions or concerning any individual who is the ultimate
18 equitable owner of a 10-percent or greater interest in the
19 applicant. The office may require information concerning any
20 such applicant or person, including, but not limited to, his or
21 her full name and any other names by which he or she may have
22 been known, age, social security number, residential history,
23 qualifications, educational and business history, and
24 disciplinary and criminal history. The applicant must provide
25 evidence of liquid assets of at least \$25,000 or documents
26 satisfying the requirements of s. 516.05(10). At the time of
27 making such application the applicant shall pay to the office a
28 nonrefundable biennial license fee of \$625. Applications, except
29 for applications to renew or reactivate a license, must also be
30 accompanied by a nonrefundable investigation fee of \$200. An
31 application is considered received for purposes of s. 120.60
32 upon receipt of a completed application form as prescribed by
33 commission rule, a nonrefundable application fee of \$625, and
34 any other fee prescribed by law. The commission may adopt rules
35 requiring electronic submission of any form, document, or fee
36 required by this act if such rules reasonably accommodate
37 technological or financial hardship. The commission may
38 prescribe by rule requirements and procedures for obtaining an
39 exemption due to a technological or financial hardship.



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40 Section 2. Subsection (6) is added to section 516.031,
41 Florida Statutes, to read:

42 516.031 Finance charge; maximum rates.—

43 (6) PREPAYMENT PENALTIES PROHIBITED.—A licensee may not
44 require a borrower to pay a prepayment penalty for paying all or
45 part of the loan principal before the date on which the payment
46 is due.

47 Section 3. Subsection (10) is added to section 516.05,
48 Florida Statutes, to read:

49 516.05 License.—

50 (10) (a) In lieu of the \$25,000 liquid asset requirement in
51 s. 516.03(1):

52 1. An applicant or a licensee may provide to the office a
53 surety bond in the amount of at least \$25,000, issued by a
54 bonding company or insurance company authorized to do business
55 in this state.

56 2. A company with at least one currently licensed location
57 must provide to the office a rider or surety bond in the amount
58 of at least \$5,000 for each additional license, issued by a
59 bonding company or insurance company authorized to do business
60 in this state. However, in no event may the aggregate amount of
61 the surety bond required for a company with multiple licenses
62 exceed \$100,000.

63 (b) In lieu of a surety bond, the applicant or the licensee
64 may provide evidence of a certificate of deposit or an
65 irrevocable letter of credit in the same amount of the surety
66 bond required under paragraph (a). The certificate of deposit
67 must be deposited in a financial institution, as defined in s.
68 655.005(1) (i).



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69 (c) The original surety bond, certificate of deposit, or
70 letter of credit must be filed with the office, and the office
71 must be named as beneficiary. The surety bond, certificate of
72 deposit, or letter of credit must be for the use and benefit of
73 any borrower who is injured by acts of a licensee involving
74 fraud, misrepresentation, or deceit, including willful
75 imposition of illegal or excessive charges, or
76 misrepresentation, circumvention, or concealment of any matter
77 required to be stated or furnished to a borrower, where such
78 acts are in connection with a loan made under this chapter. The
79 office, or any claimant, may bring an action in a court of
80 competent jurisdiction on the surety bond, certificate of
81 deposit, or letter of credit. The surety bond, certificate of
82 deposit, or letter of credit must be payable on a pro rata
83 basis, but the aggregate amount may not exceed the amount of the
84 surety bond, certificate of deposit, or letter of credit.

85 (d) The surety bond, certificate of deposit, or letter of
86 credit may not be canceled by the licensee, bonding or insurance
87 company, or financial institution except upon notice to the
88 office by certified mail. A cancellation may not take effect
89 until 30 calendar days after receipt by the office of the
90 written notice.

91 (e) The bonding or insurance company or financial
92 institution must, within 10 calendar days after it pays a claim,
93 give written notice to the office by certified mail of such
94 payment with details sufficient to identify the claimant and the
95 claim or judgment paid.

96 (f) If the principal sum of the surety bond, certificate of
97 deposit, or letter of credit is reduced by one or more



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98 recoveries or payments, the licensee must furnish to the office
99 a new or additional surety bond, certificate of deposit, or
100 letter of credit so that the total or aggregate principal sum
101 equals the amount required under this subsection. Alternatively,
102 a licensee may furnish an endorsement executed by the bonding or
103 insurance company or financial institution reinstating the
104 required principal amount.

105 (g) The required surety bond, certificate of deposit, or
106 letter of credit must remain in place for 2 years after the
107 licensee ceases licensed operations in this state. During the 2-
108 year period, the office may allow for a reduction or elimination
109 of the surety bond, certificate of deposit, or letter of credit
110 to the extent the licensee's outstanding consumer finance loans
111 in this state are reduced.

112 (h) The commission may prescribe by rule forms and
113 procedures to implement this subsection.

114 Section 4. Paragraph (b) of subsection (1) of section
115 516.07, Florida Statutes, is amended to read:

116 516.07 Grounds for denial of license or for disciplinary
117 action.—

118 (1) The following acts are violations of this chapter and
119 constitute grounds for denial of an application for a license to
120 make consumer finance loans and grounds for any of the
121 disciplinary actions specified in subsection (2):

122 (b) Failure to maintain liquid assets of at least \$25,000
123 or a surety bond, certificate of deposit, or letter of credit in
124 the amount required by s. 516.05(10) at all times for the
125 operation of business at a licensed location or proposed
126 location.



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127 Section 5. Section 516.36, Florida Statutes, is amended to
128 read:

129 516.36 Installment requirement.—

130 (1) Every loan made pursuant to this chapter must be repaid
131 in periodic installments as nearly equal as mathematically
132 practicable, except that the final payment may be less than the
133 amount of the prior installments. Installments may be due every
134 2 weeks, semimonthly, or monthly. This section does not apply to
135 lines of credit.

136 (2) Every loan, including a refinancing, made pursuant to
137 this chapter on or after October 1, 2021, must have a minimum
138 loan term of 6 months.

139 Section 6. Paragraph (a) of subsection (4) of section
140 559.952, Florida Statutes, is amended to read:

141 559.952 Financial Technology Sandbox.—

142 (4) EXCEPTIONS TO GENERAL LAW AND WAIVERS OF RULE
143 REQUIREMENTS.—

144 (a) Notwithstanding any other law, upon approval of a
145 Financial Technology Sandbox application, the following
146 provisions and corresponding rule requirements are not
147 applicable to the licensee during the sandbox period:

148 1. Section 516.03(1), except for the application fee, the
149 investigation fee, the requirement to provide the social
150 security numbers of control persons, evidence of liquid assets
151 of at least \$25,000 or documents satisfying the requirements of
152 s. 516.05(10), and the office's authority to investigate the
153 applicant's background. The office may prorate the license
154 renewal fee for an extension granted under subsection (7).

155 2. Section 516.05(1) and (2), except that the office shall



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156 investigate the applicant's background.

157 3. Section 560.109, only to the extent that the section
158 requires the office to examine a licensee at least once every 5
159 years.

160 4. Section 560.118(2).

161 5. Section 560.125(1), only to the extent that the
162 subsection would prohibit a licensee from engaging in the
163 business of a money transmitter or payment instrument seller
164 during the sandbox period.

165 6. Section 560.125(2), only to the extent that the
166 subsection would prohibit a licensee from appointing an
167 authorized vendor during the sandbox period. Any authorized
168 vendor of such a licensee during the sandbox period remains
169 liable to the holder or remitter.

170 7. Section 560.128.

171 8. Section 560.141, except for s. 560.141(1)(a)1., 3., 7.-
172 10. and (b), (c), and (d).

173 9. Section 560.142(1) and (2), except that the office may
174 prorate, but may not entirely eliminate, the license renewal
175 fees in s. 560.143 for an extension granted under subsection
176 (7).

177 10. Section 560.143(2), only to the extent necessary for
178 proration of the renewal fee under subparagraph 9.

179 11. Section 560.204(1), only to the extent that the
180 subsection would prohibit a licensee from engaging in, or
181 advertising that it engages in, the selling or issuing of
182 payment instruments or in the activity of a money transmitter
183 during the sandbox period.

184 12. Section 560.205(2).



185 13. Section 560.208(2).

186 14. Section 560.209, only to the extent that the office may
187 modify, but may not entirely eliminate, the net worth, corporate
188 surety bond, and collateral deposit amounts required under that
189 section. The modified amounts must be in such lower amounts that
190 the office determines to be commensurate with the factors under
191 paragraph (5)(c) and the maximum number of consumers authorized
192 to receive the financial product or service under this section.

193 Section 7. This act shall take effect October 1, 2021.

194

195 ===== T I T L E A M E N D M E N T =====

196 And the title is amended as follows:

197 Delete everything before the enacting clause
198 and insert:

199 A bill to be entitled
200 An act relating to consumer finance loans; amending s.
201 516.03, F.S.; authorizing an applicant for a license
202 to make and collect loans under the Florida Consumer
203 Finance Act to provide certain documents in lieu of
204 evidence of liquid assets; amending s. 516.031, F.S.;
205 prohibiting a person licensed to make and collect
206 consumer finance loans from charging prepayment
207 penalties for loans; amending s. 516.05, F.S.;
208 authorizing an applicant for a license to make and
209 collect consumer finance loans or a licensee to
210 provide a surety bond, certificate of deposit, or
211 letter of credit in lieu of evidence of liquid assets;
212 providing requirements for such bonds, certificates of
213 deposit, and letters of credit; providing rulemaking



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214 authority; amending s. 516.07, F.S.; amending grounds
215 for denial of license or disciplinary action; amending
216 s. 516.36, F.S.; providing requirements for loan
217 terms; amending s. 559.952, F.S.; revising exceptions
218 for a licensee during the Financial Technology Sandbox
219 period; providing an effective date.