

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Insurance & Banking
2 Subcommittee

3 Representative Stevenson offered the following:

4
5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

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

9 516.03 Application for license; fees; etc.—

10 (1) APPLICATION.—Application for a license to make loans
11 under this chapter shall be in the form prescribed by rule of
12 the commission. The commission may require each applicant to
13 provide any information reasonably necessary to determine the
14 applicant's eligibility for licensure. The applicant shall also
15 provide information that the office requires concerning any
16 officer, director, control person, member, partner, or joint

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

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

44 516.031 Finance charge; maximum rates.—

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

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

51 516.05 License.—

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

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

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

65 (b) In lieu of a surety bond, the applicant or the
66 licensee may provide evidence of a certificate of deposit or an

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67 irrevocable letter of credit in the same amount of the surety
68 bond required under paragraph (a). The certificate of deposit
69 must be deposited in a financial institution, as defined in s.
70 655.005(1)(i). The letter of credit must be issued by a
71 financial institution, as defined in s. 655.005(1)(i).

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

88 (d) The surety bond, certificate of deposit, or letter of
89 credit may not be cancelled by the licensee, bonding or
90 insurance company, or financial institution except upon notice
91 to the office by certified mail. A cancellation may not take

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92 effect until 30 calendar days after receipt by the office of the
93 written notice.

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

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

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

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

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117 Section 4. Paragraph (b) of subsection (1) of section
118 516.07, Florida Statutes, is amended to read:

119 516.07 Grounds for denial of license or for disciplinary
120 action.—

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

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

130 Section 5. Section 516.36, Florida Statutes, is amended to
131 read:

132 516.36 Installment requirement.—

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

139 (2) Every loan, including a refinancing, made pursuant to
140 this chapter on or after October 1, 2021, must have a minimum
141 loan term of at least 6 months.

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142 Section 6. Paragraph (a) of subsection (4) of section
143 559.952, Florida Statutes, is amended to read:

144 559.952 Financial Technology Sandbox.—

145 (4) EXCEPTIONS TO GENERAL LAW AND WAIVERS OF RULE
146 REQUIREMENTS.—

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

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

158 2. Section 516.05(1) and (2), except that the office shall
159 investigate the applicant's background.

160 3. Section 560.109, only to the extent that the section
161 requires the office to examine a licensee at least once every 5
162 years.

163 4. Section 560.118(2).

164 5. Section 560.125(1), only to the extent that the
165 subsection would prohibit a licensee from engaging in the

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166 business of a money transmitter or payment instrument seller
167 during the sandbox period.

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

173 7. Section 560.128.

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

176 9. Section 560.142(1) and (2), except that the office may
177 prorate, but may not entirely eliminate, the license renewal
178 fees in s. 560.143 for an extension granted under subsection
179 (7).

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

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

187 12. Section 560.205(2).

188 13. Section 560.208(2).

189 14. Section 560.209, only to the extent that the office
190 may modify, but may not entirely eliminate, the net worth,

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191 corporate surety bond, and collateral deposit amounts required
192 under that section. The modified amounts must be in such lower
193 amounts that the office determines to be commensurate with the
194 factors under paragraph (5)(c) and the maximum number of
195 consumers authorized to receive the financial product or service
196 under this section.

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

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

201

Remove lines 3-7 and insert:

202

516.03; authorizing an applicant for a license to make

203

and collect loans under the Florida Consumer Finance

204

Act to provide a bond, certificate of deposit, or

205

letter of credit in lieu of liquid assets; amending s.

206

516.031, F.S.; prohibiting a person licensed to make

207

and collect consumer finance loans from charging

208

prepayment penalties for loans; amending s. 516.05;

209

authorizing an applicant for a license to make and

210

collect consumer finance loans or a licensee to

211

provide a surety bond, certificate of deposit, or

212

letter of credit in lieu of liquid assets; providing

213

requirements for such bonds, certificates of deposit,

214

and letters of credit; providing rulemaking authority;

215

amending s. 516.07, F.S.; amending grounds for denial

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