

**Representative Brad M. Daw** proposes the following substitute bill:

**DEFERRED DEPOSIT LENDING AMENDMENTS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Brad M. Daw**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to deferred deposit lending and identity theft.

**Highlighted Provisions:**

This bill:

- ▶ modifies reporting requirements;
- ▶ addresses operational requirements;
- ▶ amends extended payment plans; and
- ▶ makes technical and conforming amendments.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**7-23-201**, as last amended by Laws of Utah 2014, Chapter 131

**7-23-401**, as last amended by Laws of Utah 2014, Chapter 131

**7-23-403**, as last amended by Laws of Utah 2014, Chapter 131

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26 *Be it enacted by the Legislature of the state of Utah:*

27 Section 1. Section 7-23-201 is amended to read:

28 **7-23-201. Registration -- Rulemaking.**

29 (1) (a) It is unlawful for a person to engage in the business of cashing checks or the  
30 business of deferred deposit lending in Utah or with a Utah resident unless the person:

31 (i) registers with the department in accordance with this chapter; and

32 (ii) maintains a valid registration.

33 (b) It is unlawful for a person to operate a mobile facility in this state to engage in the  
34 business of:

35 (i) cashing checks; or

36 (ii) deferred deposit lending.

37 (2) (a) A registration and a renewal of a registration expires on December 31 of each  
38 year unless on or before that date the person renews the registration.

39 (b) To register under this section, a person shall:

40 (i) pay an original registration fee established under Subsection 7-1-401(8);

41 (ii) submit a registration statement containing the information described in Subsection  
42 (2)(d);

43 (iii) submit evidence satisfactory to the commissioner that the person is authorized to  
44 conduct business in this state as a domestic or foreign entity pursuant to filings with the  
45 Division of Corporations and Commercial Code under Title 16, Corporations, or Title 48,  
46 [Partnership] Unincorporated Business Entity Act; and

47 (iv) if the person engages in the business of deferred deposit lending, submit evidence  
48 satisfactory to the commissioner that the person is registered with the nationwide database.

49 (c) To renew a registration under this section, a person shall:

50 (i) pay the annual fee established under Subsection 7-1-401(5);

51 (ii) submit a renewal statement containing the information described in Subsection  
52 (2)(d);

53 (iii) submit evidence satisfactory to the commissioner that the person is authorized to  
54 conduct business in this state as a domestic or foreign entity pursuant to filings with the  
55 Division of Corporations and Commercial Code under Title 16, Corporations, or Title 48,  
56 [Partnership] Unincorporated Business Entity Act;

- 57 (iv) if the person engages in the business of deferred deposit lending, submit evidence  
58 satisfactory to the commissioner that the person is registered with the nationwide database; and
- 59 (v) if the person engages in the business of deferred deposit lending, submit an  
60 operations statement containing the information described in Subsection (2)(e).
- 61 (d) A registration or renewal statement shall state:
- 62 (i) the name of the person;
- 63 (ii) the name in which the business will be transacted if different from that required in  
64 Subsection (2)(d)(i);
- 65 (iii) the address of the person's principal business office, which may be outside this  
66 state;
- 67 (iv) the addresses of all offices in this state at which the person conducts the business  
68 of:
- 69 (A) cashing checks; or
- 70 (B) deferred deposit lending;
- 71 (v) if the person conducts the business of cashing checks or the business of deferred  
72 deposit lending in this state but does not maintain an office in this state, a brief description of  
73 the manner in which the business is conducted;
- 74 (vi) the name and address in this state of a designated agent upon whom service of  
75 process may be made;
- 76 (vii) disclosure of an injunction, judgment, administrative order, or conviction of a  
77 crime involving moral turpitude with respect to that person or an officer, director, manager,  
78 operator, or principal of that person; and
- 79 (viii) any other information required by the rules of the department.
- 80 (e) An operations statement required for a deferred deposit lender to renew a  
81 registration shall state for the immediately preceding calendar year:
- 82 (i) the average principal amount of the deferred deposit loans extended by the deferred  
83 deposit lender;
- 84 (ii) for deferred deposit loans paid in full, the average number of days a deferred  
85 deposit loan is outstanding for the duration of time that interest is charged;
- 86 (iii) the minimum and maximum dollar amount of interest and fees charged by the  
87 deferred deposit lender for a deferred deposit loan of \$100 with a loan term of seven days;

- 88 (iv) the total number of deferred deposit loans rescinded by the deferred deposit lender  
89 at the request of the customer pursuant to Subsection 7-23-401(3)(b);
- 90 (v) of the persons to whom the deferred deposit lender extended a deferred deposit  
91 loan, the percentage that entered into an extended payment plan under Section 7-23-403;
- 92 (vi) the total dollar amount of deferred deposit loans rescinded by the deferred deposit  
93 lender at the request of the customer pursuant to Subsection 7-23-401(3)(b);
- 94 (vii) the average annual percentage rate charged on deferred deposit loans;
- 95 (viii) the average dollar amount of extended payment plans entered into under Section  
96 7-23-403 by the deferred deposit lender;
- 97 (ix) the number of deferred deposit loans carried to the maximum 10 weeks;
- 98 (x) the total dollar amount of deferred deposit loans carried to the maximum 10 weeks;
- 99 (xi) the number of deferred deposit loans not paid in full at the end of 10 weeks; ~~and~~
- 100 (xii) the total dollar amount of deferred deposit loans not paid in full at the end of 10  
101 weeks[-];
- 102 (xiii) the percentage of deferred deposit loans against which the deferred deposit lender  
103 initiates civil action to collect on the deferred deposit loan; and
- 104 (xiv) for the civil actions described in Subsection (2)(e)(xiii), the percentage of those  
105 civil actions whose deferred deposit loans have the following payment history:
- 106 (A) no payments;
- 107 (B) one payment;
- 108 (C) two payments;
- 109 (D) three payments;
- 110 (E) four payments;
- 111 (F) five payments;
- 112 (G) six payments;
- 113 (H) seven payments;
- 114 (I) eight payments;
- 115 (J) nine payments; and
- 116 (K) 10 or more payments.
- 117 (f) The commissioner may by rule, made in accordance with Title 63G, Chapter 3,  
118 Utah Administrative Rulemaking Act, provide for the transition of persons registering with the

119 nationwide database.

120 (3) Information provided by a deferred deposit lender under Subsection (2)(e) is:

121 (a) confidential in accordance with Section 7-1-802; and

122 (b) not subject to Title 63G, Chapter 2, Government Records Access and Management

123 Act.

124 (4) (a) The commissioner may impose an administrative fine determined under

125 Subsection (4)(b) on a person if:

126 (i) the person is required to be registered under this chapter;

127 (ii) the person fails to register or renew a registration in accordance with this chapter;

128 (iii) the department notifies the person that the person is in violation of this chapter for

129 failure to be registered; and

130 (iv) the person fails to register within 30 days after the day on which the person

131 receives the notice described in Subsection (4)(a)(iii).

132 (b) Subject to Subsection (4)(c), the administrative fine imposed under this section is:

133 (i) \$500 if the person:

134 (A) has no office in this state at which the person conducts the business of:

135 (I) cashing checks; or

136 (II) deferred deposit lending; or

137 (B) has one office in this state at which the person conducts the business of:

138 (I) cashing checks; or

139 (II) deferred deposit lending; or

140 (ii) if the person has two or more offices in this state at which the person conducts the

141 business of cashing checks or the business of deferred deposit lending, \$500 for each office at

142 which the person conducts the business of:

143 (A) cashing checks; or

144 (B) deferred deposit lending.

145 (c) The commissioner may reduce or waive a fine imposed under this Subsection (4) if

146 the person shows good cause.

147 (5) If the information in a registration, renewal, or operations statement required under

148 Subsection (2) becomes inaccurate after filing, a person is not required to notify the department

149 until:

150 (a) that person is required to renew the registration; or  
151 (b) the department specifically requests earlier notification.  
152 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
153 department may make rules consistent with this section providing for:

154 (a) the form, content, and filing of a registration and renewal statement described in  
155 Subsection (2)(d); and

156 (b) the form and filing of an operations statement described in Subsection (2)(e).

157 (7) A deferred deposit loan that is made by a person who is required to be registered  
158 under this chapter but who is not registered is void, and the person may not collect, receive, or  
159 retain any principal or other interest or fees in connection with the deferred deposit loan.

160 Section 2. Section **7-23-401** is amended to read:

161 **7-23-401. Operational requirements for deferred deposit loans.**

162 (1) If a deferred deposit lender extends a deferred deposit loan, the deferred deposit  
163 lender shall:

164 (a) post in a conspicuous location on its premises that can be viewed by a person  
165 seeking a deferred deposit loan:

166 (i) a complete schedule of any interest or fees charged for a deferred deposit loan that  
167 states the interest and fees using dollar amounts;

168 (ii) a number the person can call to make a complaint to the department regarding the  
169 deferred deposit loan; and

170 (iii) a list of states where the deferred deposit lender is registered or authorized to offer  
171 deferred deposit loans through the Internet or other electronic means;

172 (b) enter into a written contract for the deferred deposit loan;

173 (c) conspicuously disclose in the written contract:

174 (i) that under Subsection (3)(a), a person receiving a deferred deposit loan may make a  
175 partial payment in increments of at least \$5 on the principal owed on the deferred deposit loan  
176 without incurring additional charges above the charges provided in the written contract;

177 (ii) that under Subsection (3)(b), a person receiving a deferred deposit loan may rescind  
178 the deferred deposit loan on or before 5 p.m. of the next business day without incurring any  
179 charges;

180 (iii) that under Subsection (4)(b), the deferred deposit loan may not be rolled over

181 without the person receiving the deferred deposit loan requesting the rollover of the deferred  
182 deposit loan;

183 (iv) that under Subsection (4)(c), the deferred deposit loan may not be rolled over if the  
184 rollover requires the person to pay the amount owed by the person under the deferred deposit  
185 loan in whole or in part more than 10 weeks after the day on which the deferred deposit loan is  
186 executed; and

187 (v) (A) the name and address of a designated agent required to be provided the  
188 department under Subsection 7-23-201(2)(d)(vi); and

189 (B) a statement that service of process may be made to the designated agent;

190 (d) provide the person seeking the deferred deposit loan:

191 (i) a copy of the written contract described in Subsection (1)(c); and

192 (ii) written notice that the person seeking the deferred deposit loan is eligible to enter  
193 into an extended payment plan described in Section 7-23-403;

194 (e) orally review with the person seeking the deferred deposit loan the terms of the  
195 deferred deposit loan including:

196 (i) the amount of any interest rate or fee;

197 (ii) the date on which the full amount of the deferred deposit loan is due;

198 (iii) that under Subsection (3)(a), a person receiving a deferred deposit loan may make  
199 a partial payment in increments of at least \$5 on the principal owed on the deferred deposit  
200 loan without incurring additional charges above the charges provided in the written contract;

201 (iv) that under Subsection (3)(b), a person receiving a deferred deposit loan may  
202 rescind the deferred deposit loan on or before 5 p.m. of the next business day without incurring  
203 any charges;

204 (v) that under Subsection (4)(b), the deferred deposit loan may not be rolled over  
205 without the person receiving the deferred deposit loan requesting the rollover of the deferred  
206 deposit loan; and

207 (vi) that under Subsection (4)(c), the deferred deposit loan may not be rolled over if the  
208 rollover requires the person to pay the amount owed by the person under the deferred deposit  
209 loan in whole or in part more than 10 weeks after the day on which the deferred deposit loan is  
210 executed;

211 (f) comply with the following as in effect on the date the deferred deposit loan is

212 extended:

213 (i) Truth in Lending Act, 15 U.S.C. Sec. 1601 et seq., and its implementing federal  
214 regulations;

215 (ii) Equal Credit Opportunity Act, 15 U.S.C. Sec. 1691, and its implementing federal  
216 regulations;

217 (iii) Bank Secrecy Act, 12 U.S.C. Sec. 1829b, 12 U.S.C. Sec. 1951 through 1959, and  
218 31 U.S.C. Sec. 5311 through 5332, and its implementing regulations; and

219 (iv) Title 70C, Utah Consumer Credit Code;

220 (g) in accordance with Subsection (6), make an inquiry to determine whether a person  
221 attempting to receive a deferred deposit loan has the ability to repay the deferred deposit loan  
222 in the ordinary course, which may include rollovers or extended payment plans as allowed  
223 under this chapter; [~~and~~]

224 (h) in accordance with Subsection (7), receive a signed acknowledgment from a person  
225 attempting to receive a deferred deposit loan that the person has the ability to repay the  
226 deferred deposit loan, which may include rollovers or extended payment plans as allowed by  
227 this chapter[;]; and

228 (i) report the original loan amount, payment in full, or default of a deferred deposit  
229 loan to a consumer reporting agency, as defined in 15 U.S.C. Sec. 1681a, in accordance with  
230 procedures established by the consumer reporting agency.

231 (2) If a deferred deposit lender extends a deferred deposit loan through the Internet or  
232 other electronic means, the deferred deposit lender shall provide the information described in  
233 Subsection (1)(a) to the person receiving the deferred deposit loan:

234 (a) in a conspicuous manner; and

235 (b) prior to the person entering into the deferred deposit loan.

236 (3) A deferred deposit lender that engages in a deferred deposit loan shall permit a  
237 person receiving a deferred deposit loan to:

238 (a) make partial payments in increments of at least \$5 on the principal owed on the  
239 deferred deposit loan at any time prior to maturity without incurring additional charges above  
240 the charges provided in the written contract; and

241 (b) rescind the deferred deposit loan without incurring any charges by returning the  
242 deferred deposit loan amount to the deferred deposit lender on or before 5 p.m. the next

243 business day following the deferred deposit loan transaction.

244 (4) A deferred deposit lender that engages in a deferred deposit loan may not:

245 (a) collect additional interest on a deferred deposit loan with an outstanding principal  
246 balance 10 weeks after the day on which the deferred deposit loan is executed;

247 (b) roll over a deferred deposit loan without the person receiving the deferred deposit  
248 loan requesting the rollover of the deferred deposit loan;

249 (c) roll over a deferred deposit loan if the rollover requires a person to pay the amount  
250 owed by the person under a deferred deposit loan in whole or in part more than 10 weeks from  
251 the day on which the deferred deposit loan is first executed;

252 (d) extend a new deferred deposit loan to a person on the same business day that the  
253 person makes a payment on another deferred deposit loan if the payment:

254 (i) is made at least 10 weeks after the day on which that deferred deposit loan is  
255 extended; and

256 (ii) results in the principal of that deferred deposit loan being paid in full;

257 (e) threaten to use or use the criminal process in any state to collect on the deferred  
258 deposit loan;

259 (f) in connection with the collection of money owed on a deferred deposit loan,  
260 communicate with a person who owes money on a deferred deposit loan at the person's place of  
261 employment if the person or the person's employer communicates, orally or in writing, to the  
262 deferred deposit lender that the person's employer prohibits the person from receiving these  
263 communications; or

264 (g) modify by contract the venue provisions in Title 78B, Chapter 3, Actions and  
265 Venue.

266 (5) Notwithstanding Subsections (4)(a) and (e), a deferred deposit lender that is the  
267 holder of a check used to obtain a deferred deposit loan that is dishonored may use the  
268 remedies and notice procedures provided in Chapter 15, Dishonored Instruments, except that  
269 the issuer, as defined in Section 7-15-1, of the check may not be:

270 (a) asked by the holder to pay the amount described in Subsection 7-15-1(6)(a)(iii) as a  
271 condition of the holder not filing a civil action; or

272 (b) held liable for the damages described in Subsection 7-15-1(7)(b)(vi).

273 (6) (a) The inquiry required by Subsection (1)(g) applies solely to the initial period of a

274 deferred deposit loan transaction with a person and does not apply to any rollover or extended  
275 payment plan of a deferred deposit loan.

276 (b) [A] Subject to Subsection (6)(c), a deferred deposit lender is in compliance with  
277 Subsection (1)(g) if the deferred deposit lender, at the time of the initial period of the deferred  
278 deposit loan transaction, obtains one of the following regarding the person seeking the deferred  
279 deposit loan:

280 (i) a consumer report, as defined in 15 U.S.C. Sec. 1681a, from a consumer reporting  
281 agency, as defined in 15 U.S.C. Sec. 1681a;

282 (ii) written proof or verification of income from the person seeking the deferred deposit  
283 loan; or

284 (iii) prior repayment history with the deferred deposit loan from the records of the  
285 deferred deposit lender.

286 (c) If a person seeking a deferred deposit loan has not previously received a deferred  
287 deposit loan from that deferred deposit lender, to be in compliance with Subsection (1)(g), the  
288 deferred deposit lender, at the time of the initial period of the deferred deposit loan transaction,  
289 shall obtain a consumer report, as defined in 15 U.S.C. Sec. 681a, from a consumer reporting  
290 agency, as defined in 15 U.S.C. Sec. 1681a.

291 (7) A deferred deposit lender is in compliance with Subsection (1)(h) if the deferred  
292 deposit lender obtains from the person seeking the deferred deposit loan a signed  
293 acknowledgment that is in 14-point bold font, that the person seeking the deferred deposit loan  
294 has:

295 (a) reviewed the payment terms of the deferred deposit loan agreement;

296 (b) received a disclosure that a deferred deposit loan may not be rolled over if the  
297 rollover requires the person to pay the amount owed by the person under the deferred deposit  
298 loan in whole or in part more than 10 weeks after the day on which the deferred deposit loan is  
299 first executed;

300 (c) received a disclosure explaining the extended payment plan options; and

301 (d) acknowledged the ability to repay the deferred deposit loan in the ordinary course,  
302 which may include rollovers, or extended payment plans as allowed under this chapter.

303 (8) (a) Before initiating a civil action against a person who owes money on a deferred  
304 deposit loan, a deferred deposit lender shall provide the person at least 10 days notice of

305 default, describing that:

306 (i) the person must remedy the default; and ~~[that]~~

307 (ii) the deferred deposit lender ~~[intends to]~~ may initiate a civil action against the person  
308 if the person fails to cure the default within the 10-day period or through an extended payment  
309 plan meeting the requirements of Section 7-23-403.

310 (b) A deferred deposit lender may provide the notice required under this Subsection  
311 (8):

312 (i) by sending written notice to the address provided by the person to the deferred  
313 deposit lender;

314 (ii) by sending an electronic transmission to a person if electronic contact information  
315 is provided to the deferred deposit lender; or

316 (iii) pursuant to the Utah Rules of Civil Procedure.

317 (c) A notice under this Subsection (8), in addition to complying with Subsection (8)(a),  
318 shall:

319 (i) be in English, if the initial transaction is conducted in English;

320 (ii) state the date by which the person must act to enter into an extended payment plan;

321 (iii) explain the procedures the person must follow to enter into an extended payment  
322 plan;

323 (iv) subject to Subsection 7-23-403(7), if the deferred deposit lender requires the  
324 person to make an initial payment to enter into an extended payment plan:

325 (A) explain the requirement; and

326 (B) state the amount of the initial payment and the date the initial payment shall be  
327 made;

328 (v) state that the person has the opportunity to enter into an extended payment plan for  
329 a time period meeting the requirements of Subsection 7-23-403(2)(b); and

330 (vi) include the following amounts:

331 (A) the remaining balance on the original deferred deposit loan;

332 (B) the total payments made on the deferred deposit loan;

333 (C) any charges added to the deferred deposit loan amount allowed pursuant to this  
334 chapter; and

335 (D) the total amount due if the person enters into an extended payment plan.

336 Section 3. Section 7-23-403 is amended to read:

337 **7-23-403. Extended payment plan.**

338 (1) (a) If a person who owes money on a deferred deposit loan requests to enter into an  
339 extended payment plan, the deferred deposit lender who extended the deferred deposit loan  
340 shall allow the person to enter into an extended payment plan that meets the requirements of  
341 this section at least once during a 12-month period to pay the money owed.

342 (b) A deferred deposit lender is not required to enter into an extended payment plan  
343 with a person who owes money on a deferred deposit loan more than one time during a  
344 12-month period.

345 (c) Notwithstanding the other provisions of this Subsection (1), if a person is charged  
346 10 continuous weeks of interest or fees on a deferred deposit loan, including rollovers, at the  
347 end of the 10-week period:

348 (i) the person may request to repay the deferred deposit loan and rollovers under an  
349 extended payment plan that meets the requirements of this section; and

350 (ii) the deferred deposit lender shall execute the extended payment plan in accordance  
351 with this section.

352 (2) An extended payment plan shall include the following:

353 (a) A deferred deposit lender shall require a person who receives a deferred deposit  
354 loan and wants to enter an extended payment plan to enter into a written agreement:

355 (i) with the deferred deposit lender;

356 (ii) that is executed:

357 (A) no sooner than the day before the last day of the initial term of the deferred deposit  
358 loan; ~~and~~

359 (B) except as provided in Subsection (2)(a)(ii)(C), no later than the [end of the deferred  
360 ~~deposit lender's]~~ business day before the day on which the deferred deposit loan is due; and

361 (C) for an extended payment plan offered after a default on a deferred deposit loan, 10  
362 days after receiving the notice described in Subsection 7-23-401(8), unless a later date is  
363 allowed by the deferred deposit lender;

364 (iii) that is signed by the deferred deposit lender or its agent and the person;

365 (iv) a copy of which is given to the person; and

366 ~~[(iii)]~~ (v) that states:

- 367 (A) a payment schedule; and
- 368 (B) the money owed under the extended payment plan.
- 369 (b) A payment schedule for an extended payment plan shall provide that the money  
370 owed may be paid:
- 371 (i) in at least four equal payments; and
- 372 (ii) over a time period that is at least [~~60 days.~~] the greater of:
- 373 (A) 90 days after the date of default; or
- 374 (B) 60 days after entering into an extended payment plan.
- 375 (c) The money owed under an extended payment plan shall equal the money owed  
376 under the deferred deposit loan, including interest and fees, that would be due if the deferred  
377 deposit loan is paid in full on the last day of the most current term of the deferred deposit loan.
- 378 (3) (a) A deferred deposit lender may not charge interest or fees as part of an extended  
379 payment plan[~~;~~] regardless of the name given to the interest or fees including:
- 380 (i) an origination fee;
- 381 (ii) a set-up fee;
- 382 (iii) a collection fee;
- 383 (iv) a transaction fee;
- 384 (v) a negotiation fee;
- 385 (vi) a handling fee;
- 386 (vii) a processing fee;
- 387 (viii) a late fee; or
- 388 (ix) a default fee.
- 389 (b) Except as provided in Subsection (7), a deferred deposit lender may not accept any  
390 additional security or collateral from the person who receives the deferred deposit loan to enter  
391 into the extended payment plan.
- 392 (c) A deferred deposit lender may not sell to the person who receives the deferred  
393 deposit loan any insurance or require the person to purchase insurance or any other goods or  
394 services to enter into the extended payment plan.
- 395 [~~(b)~~] (d) A deferred deposit loan may not be considered in default during the extended  
396 payment plan period if the person who receives the deferred deposit loan complies with the  
397 terms of the extended payment plan.

398           ~~[(c)]~~ (e) If a person who receives a deferred deposit loan defaults during the extended  
399 payment plan period, the deferred deposit lender may:

400           (i) accelerate the requirement to pay the money owed under the extended payment plan;

401           (ii) charge a fee not to exceed \$20;

402           (iii) terminate the extended payment plan; and

403           (iv) subject to the other requirements of this chapter, reinstate the original deferred  
404 deposit loan terms.

405           (4) A deferred deposit loan may not penalize a person who enters into an extended  
406 payment plan for paying to the deferred deposit lender money owed under the extended  
407 payment plan before the money is due.

408           (5) (a) A deferred deposit lender may not initiate collection activities for a deferred  
409 deposit loan that is subject to an extended payment plan during the period that the person  
410 owing money under the extended payment plan is in compliance with the extended payment  
411 plan.

412           (b) A deferred deposit lender may not attempt to collect an amount that is greater than  
413 the amount owed under the terms of an extended payment plan.

414           (6) A deferred deposit lender may not collect additional interest or fees on a deferred  
415 deposit loan, except for the fee imposed under Subsection (3)~~[(c)]~~(e)(ii), from a person who has  
416 been charged 10 weeks interest and defaults under the extended payment plan described in  
417 Subsection (1)(c).

418           (7) Under an extended payment plan:

419           (a) a deferred deposit lender may require the person who receives a deferred deposit  
420 loan to make an initial payment of not more than 20% of the total amount due under the terms  
421 of the extended payment plan if the person has defaulted on the deferred deposit loan;

422           (b) (i) a deferred deposit lender may require a person who receives a deferred deposit  
423 loan to provide the deferred deposit lender, as security, one or more checks or written  
424 authorizations for an electronic transfer of money that equal the total amount due under the  
425 terms of the extended payment plan;

426           (ii) if the person who receives a deferred deposit loan makes a payment in the amount  
427 of a check or written authorization taken as security for that payment, the deferred deposit  
428 lender shall:

- 429 (A) return to the person the check or written authorization stamped "void"; or
- 430 (B) destroy the check or written authorization; and
- 431 (iii) the deferred deposit lender may not charge a fee to the person who receives the
- 432 deferred deposit loan for a check that is provided as security during the extended payment plan
- 433 and that is not paid upon presentment if the deferred deposit lender has previously charged a
- 434 fee under Subsection 7-23-401(5) at least once in connection with that deferred deposit loan.

435 (8) When a person who receives a deferred deposit loan makes a payment pursuant to  
436 an extended payment plan, the deferred deposit lender shall give to the person a receipt with  
437 the following information:

- 438 (a) the name and address of the deferred deposit lender;
- 439 (b) the identification number assigned to the deferred deposit loan agreement or other
- 440 information that identifies the deferred deposit loan;
- 441 (c) the date of the payment;
- 442 (d) the amount paid;
- 443 (e) the balance due on the deferred deposit loan or, when the person makes the final
- 444 payment, a statement that the deferred deposit loan is paid in full; and
- 445 (f) if more than one deferred deposit loan made by the deferred deposit lender to the
- 446 person is outstanding at the time the payment is made, a statement indicating to which deferred
- 447 deposit loan the payment is applied.

448 Section 4. **Effective date.**

449 This bill takes effect on July 1, 2016.