

Effective 7/1/2016

7-23-403 Extended payment plan.

- (1)
 - (a) If a person who owes money on a deferred deposit loan requests to enter into an extended payment plan, the deferred deposit lender who extended the deferred deposit loan shall allow the person to enter into an extended payment plan that meets the requirements of this section at least once during a 12-month period to pay the money owed.
 - (b) A deferred deposit lender is not required to enter into an extended payment plan with a person who owes money on a deferred deposit loan more than one time during a 12-month period.
 - (c) Notwithstanding the other provisions of this Subsection (1), if a person is charged 10 continuous weeks of interest or fees on a deferred deposit loan, including rollovers, at the end of the 10-week period:
 - (i) the person may request to repay the deferred deposit loan and rollovers under an extended payment plan that meets the requirements of this section; and
 - (ii) the deferred deposit lender shall execute the extended payment plan in accordance with this section.
- (2) An extended payment plan shall include the following:
 - (a) A deferred deposit lender shall require a person who receives a deferred deposit loan and wants to enter an extended payment plan to enter into a written agreement:
 - (i) with the deferred deposit lender;
 - (ii) that is executed:
 - (A) no sooner than the day before the last day of the initial term of the deferred deposit loan;
 - (B) except as provided in Subsection (2)(a)(ii)(C), no later than the business day before the day on which the deferred deposit loan is due; and
 - (C) for an extended payment plan offered after a default on a deferred deposit loan, 10 days after receiving the notice described in Subsection 7-23-401(8), unless a later date is allowed by the deferred deposit lender;
 - (iii) that is signed by the deferred deposit lender or its agent and the person;
 - (iv) a copy of which is given to the person; and
 - (v) that states:
 - (A) a payment schedule; and
 - (B) the money owed under the extended payment plan.
 - (b) A payment schedule for an extended payment plan shall provide that the money owed may be paid:
 - (i) in at least four equal payments; and
 - (ii) over a time period that is at least the greater of:
 - (A) 90 days after the date of default; or
 - (B) 60 days after entering into an extended payment plan.
 - (c) The money owed under an extended payment plan shall equal the money owed under the deferred deposit loan, including interest and fees, that would be due if the deferred deposit loan is paid in full on the last day of the most current term of the deferred deposit loan.
- (3)
 - (a) A deferred deposit lender may not charge interest or fees as part of an extended payment plan regardless of the name given to the interest or fees including:
 - (i) an origination fee;
 - (ii) a set-up fee;
 - (iii) a collection fee;

- (iv) a transaction fee;
 - (v) a negotiation fee;
 - (vi) a handling fee;
 - (vii) a processing fee;
 - (viii) a late fee; or
 - (ix) a default fee.
- (b) Except as provided in Subsection (7), a deferred deposit lender may not accept any additional security or collateral from the person who receives the deferred deposit loan to enter into the extended payment plan.
- (c) A deferred deposit lender may not sell to the person who receives the deferred deposit loan any insurance or require the person to purchase insurance or any other goods or services to enter into the extended payment plan.
- (d) A deferred deposit loan may not be considered in default during the extended payment plan period if the person who receives the deferred deposit loan complies with the terms of the extended payment plan.
- (e) If a person who receives a deferred deposit loan defaults during the extended payment plan period, the deferred deposit lender may:
- (i) accelerate the requirement to pay the money owed under the extended payment plan;
 - (ii) charge a fee not to exceed \$20;
 - (iii) terminate the extended payment plan; and
 - (iv) subject to the other requirements of this chapter, reinstate the original deferred deposit loan terms.
- (4) A deferred deposit loan may not penalize a person who enters into an extended payment plan for paying to the deferred deposit lender money owed under the extended payment plan before the money is due.
- (5)
- (a) A deferred deposit lender may not initiate collection activities for a deferred deposit loan that is subject to an extended payment plan during the period that the person owing money under the extended payment plan is in compliance with the extended payment plan.
 - (b) A deferred deposit lender may not attempt to collect an amount that is greater than the amount owed under the terms of an extended payment plan.
- (6) A deferred deposit lender may not collect additional interest or fees on a deferred deposit loan, except for the fee imposed under Subsection (3)(e)(ii), from a person who has been charged 10 weeks interest and defaults under the extended payment plan described in Subsection (1)(c).
- (7) Under an extended payment plan:
- (a) a deferred deposit lender may require the person who receives a deferred deposit loan to make an initial payment of not more than 20% of the total amount due under the terms of the extended payment plan if the person has defaulted on the deferred deposit loan;
 - (b)
 - (i) a deferred deposit lender may require a person who receives a deferred deposit loan to provide the deferred deposit lender, as security, one or more checks or written authorizations for an electronic transfer of money that equal the total amount due under the terms of the extended payment plan;
 - (ii) if the person who receives a deferred deposit loan makes a payment in the amount of a check or written authorization taken as security for that payment, the deferred deposit lender shall:
 - (A) return to the person the check or written authorization stamped "void"; or
 - (B) destroy the check or written authorization; and

- (iii) the deferred deposit lender may not charge a fee to the person who receives the deferred deposit loan for a check that is provided as security during the extended payment plan and that is not paid upon presentment if the deferred deposit lender has previously charged a fee under Subsection 7-23-401(5) at least once in connection with that deferred deposit loan.
- (8) When a person who receives a deferred deposit loan makes a payment pursuant to an extended payment plan, the deferred deposit lender shall give to the person a receipt with the following information:
- (a) the name and address of the deferred deposit lender;
 - (b) the identification number assigned to the deferred deposit loan agreement or other information that identifies the deferred deposit loan;
 - (c) the date of the payment;
 - (d) the amount paid;
 - (e) the balance due on the deferred deposit loan or, when the person makes the final payment, a statement that the deferred deposit loan is paid in full; and
 - (f) if more than one deferred deposit loan made by the deferred deposit lender to the person is outstanding at the time the payment is made, a statement indicating to which deferred deposit loan the payment is applied.

Amended by Chapter 248, 2016 General Session