

Effective 5/1/2024

7-27-101 Definitions.

As used in this chapter:

- (1) "Accounts receivable purchase transaction" means a transaction in which a business forwards or otherwise sells to a person all or a portion of the business's accounts, as defined in Section 70A-9a-102, or payment intangibles, as defined in Section 70A-9a-102, at a discount to the accounts' or payment intangibles' expected value.
- (2)
 - (a) "Broker" means a person who:
 - (i) for compensation or the expectation of compensation, obtains a commercial financing product or an offer for a commercial financing product from a third party that, if executed, would bind the third party; and
 - (ii) communicates the offer described in Subsection (2)(a)(i) to a business located in the state.
 - (b) "Broker" does not include:
 - (i) a provider; or
 - (ii) a person whose compensation is not based or dependent on the terms of a specific commercial financing product that the person obtains or offers.
- (3) "Business" means a private enterprise carried on for the purpose of gain or economic profit.
- (4)
 - (a) "Business purpose transaction" means a transaction from which the resulting proceeds that a business receives are:
 - (i) provided to the business; or
 - (ii) intended to be used to carry on the business.
 - (b) "Business purpose transaction" does not include a transaction from which the resulting proceeds are intended to be used for personal, family, or household purposes.
 - (c) For purposes of determining whether a transaction is a business purpose transaction, a provider may rely on a written statement of intended purpose, signed by an individual authorized to sign on behalf of the business. The written statement may be contained in an application, agreement, or other document signed by an individual authorized to sign on behalf of the business.
- (5) "Commercial financing transaction" means a business purpose transaction:
 - (a) under which a person extends a business a commercial loan or a commercial open-end credit plan; or
 - (b) that is an accounts receivable purchase transaction.
- (6) "Commercial loan" means a loan to a business, regardless of whether the loan is secured.
- (7) "Commercial open-end credit plan" means commercial financing extended to a business on terms under which:
 - (a) the creditor reasonably contemplates repeat transactions; and
 - (b) subject to any limit set by the creditor, the amount of financing that the creditor may extend to the business during the term of the plan is made available to the extent that any outstanding balance is repaid.
- (8) "Motor vehicle dealer" means a dealer as defined in Section 41-3-102.
- (9)
 - (a) "Provider" means a person who consummates more than five commercial financing transactions in the state during any calendar year.
 - (b) "Provider" includes a person who, under a written agreement with a depository institution, offers one or more commercial financing products provided by the depository institution via an online platform that the person administers.

Amended by Chapter 114, 2024 General Session