A BILL FOR AN ACT relating to interest, loans, and debt; to amend sections 45-804, 45-902, 45-904, 45-906, 45-907, 45-908, 45-911, 45-915, 45-915.01, 45-917, 45-918, 45-919, 45-921, 45-922, 45-923, 45-925, and 45-1001, Reissue Revised Statutes of Nebraska, and sections 45-901, 45-910, and 45-927, Revised Statutes Cumulative Supplement, 2016; to change provisions of the Credit Services Organization Act, the Delayed Deposit Services Licensing Act, and the Nebraska Installment Loan Act; to define and redefine terms; to harmonize provisions; to provide an operative date; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 45-804, Reissue Revised Statutes of Nebraska, is amended to read:

45-804 A credit services organization, a salesperson, agent, or representative of a credit services organization, or an independent contractor who sells or attempts to sell the services of a credit services organization shall not:

(1) Charge a buyer or receive from a buyer money or other valuable consideration before completing performance of all services, other than those described in subdivision (2) of this section, which the credit services organization has agreed to perform for the buyer unless the credit services organization has obtained a surety bond or established and maintained a surety account as provided in section 45-805;

(2) Charge a buyer or receive from a buyer money or other valuable consideration for obtaining or attempting to obtain an extension of credit that the credit services organization has agreed to obtain for the buyer before the extension of credit is obtained;

(3) Charge a buyer or receive from a buyer money or other valuable consideration solely for referral of the buyer to a retail seller who will or may extend credit to the buyer if the credit that is or will be extended to the buyer is substantially the same as that available to the general public;

(4) Make or use a false or misleading representation in the offer or sale of the services of a credit services organization, including (a) guaranteeing to erase bad credit or words to that effect unless the representation clearly discloses that this can be done only if the credit history is inaccurate or obsolete and (b) guaranteeing an extension of credit regardless of the person's previous credit problem or credit history unless the representation clearly discloses the eligibility requirements for obtaining an extension of credit;

(5) Engage, directly or indirectly, in a fraudulent or deceptive act, practice, or course of business in connection with the offer or sale.
of the services of a credit services organization;

(6) Make or advise a buyer to make a statement with respect to a buyer's credit worthiness, credit standing, or credit capacity that is false or misleading or that should be known by the exercise of reasonable care to be false or misleading to a consumer reporting agency or to a person who has extended credit to a buyer or to whom a buyer is applying for an extension of credit; or

(7) Advertise or cause to be advertised, in any manner whatsoever, the services of a credit services organization without filing a registration statement with the Secretary of State under section 45-806 unless otherwise provided by the Credit Services Organization Act; or

(8) Notwithstanding any other provision of law, charge any brokerage fees or any other fees or charges whatsoever in connection with a loan governed by the Nebraska Installment Loan Act.

Sec. 2. Section 45-901, Revised Statutes Cumulative Supplement, 2016, is amended to read:

45-901 Sections 45-901 to 45-930 and sections 13, 15, 16, 17, 18, 19, 20, 26, 27, and 28 of this act shall be known and may be cited as the Delayed Deposit Services Licensing Act.

Sec. 3. Section 45-902, Reissue Revised Statutes of Nebraska, is amended to read:

45-902 For purposes of the Delayed Deposit Services Licensing Act:

(1) Annual percentage rate means an annual percentage rate as determined under section 107 of the federal Truth in Lending Act, 15 U.S.C. 1606, as such section existed on the operative date of this act, and includes all fees, interest, and charges contained in the loan contract, except for charges permitted for the presentation of nonnegotiable instruments under section 16 of this act. Check means any check, draft, or other instrument for the payment of money;

(2) Borrower means an individual who receives a delayed deposit loan:
(3) Default means a borrower’s failure to repay a delayed deposit loan in compliance with the terms contained in a delayed deposit loan agreement;

(4) Delayed deposit loan means a consumer loan whereby a licensee, for a fee, finance charge, or other consideration, does the following:

(a) Accepts a dated instrument from the borrower as sole security for a loan and no other collateral;

(b) Agrees to hold the instrument for a period of time prior to deposit or negotiation of the instrument; and

(c) Pays to the borrower, credits to the borrower’s account, or pays to another person on the borrower’s behalf the amount of the instrument, less charges permitted under the Delayed Deposit Services Licensing Act;

(5) (2) Delayed deposit services business means a person who engages in the practice of offering or providing a delayed deposit loan, who arranges a delayed deposit loan for a third party, or who acts as an agent for a third party, regardless of whether the third party is exempt from licensing under the Delayed Deposit Services Licensing Act or whether approval is necessary to create a legal obligation for the third party through any method, including telephone, Internet, or other electronic means any person who for a fee (a) accepts a check dated subsequent to the date it was written or (b) accepts a check dated on the date it was written and holds the check for a period of days prior to deposit or presentment pursuant to an agreement with or any representation made to the maker of the check, whether express or implied;

(6) Department means the Department of Banking and Finance;

(7) (3) Director means the Director of Banking and Finance or his or her designee;

(8) (4) Financial institution has the same meaning as in section 8-101;

(9) Instrument means any check, draft, or other instrument or
authorization to transfer or withdraw funds from an account which is
signed by the borrower and made payable to a person subject to the
Delayed Deposit Services Licensing Act;

(10) Licensee means any person licensed under the Delayed
Deposit Services Licensing Act; and

(11) Loan amount means the amount financed as calculated pursuant to
Regulation Z of the federal Truth in Lending Act, 12 C.F.R. 226.18(b), as
such regulation existed on the operative date of this act; and

(12) Person means an individual, proprietorship, association,
joint venture, joint stock company, partnership, limited partnership,
limited liability company, business corporation, nonprofit corporation,
or any group of individuals however organized.

Sec. 4. Section 45-904, Reissue Revised Statutes of Nebraska, is
amended to read:

45-904 No person shall operate a delayed deposit services business
or make or offer a delayed deposit loan in this state unless the person
is licensed by the director as provided in the Delayed Deposit Services
Licensing Act. Any delayed deposit loan that is made by a person who is
required to be licensed pursuant to the act but who is not licensed is
void, and the person making such delayed deposit loan has no right to
collect, receive, or retain any principal, interest, fees, or any other
charges in connection with such delayed deposit loan.

Sec. 5. Section 45-906, Reissue Revised Statutes of Nebraska, is
amended to read:

45-906 The application required by section 45-905 shall be
accompanied by:

(1) A nonrefundable application fee of one thousand five hundred
dollars; and

(2) A surety bond in the sum of fifty thousand dollars to be
executed by the licensee and a surety company authorized to do business
in Nebraska and approved by the director conditioned for the faithful
performance by the licensee of the duties and obligations pertaining to
the delayed deposit services business so licensed and the prompt payment
of any judgment recovered against the licensee. The bond or a substitute
bond shall remain in effect during all periods of licensing or the
licensee shall immediately cease doing business and its license shall be
surrendered to or canceled by the department. A surety may cancel a bond
only upon thirty days' written notice to the director.

The director may at any time require the filing of a new or
supplemental bond in the form as provided in subdivision (2) of this
section if he or she determines that the bond filed under this section is
exhausted or is inadequate for any reason, including, but not limited to,
the financial condition of the licensee or the applicant for a license,
or violations of the Delayed Deposit Services Licensing Act, any rule,
regulation, or order thereunder, or any state or federal law applicable
to the licensee or applicant for a license. The new or supplemental bond
shall not exceed one hundred thousand dollars.

Sec. 6. Section 45-907, Reissue Revised Statutes of Nebraska, is
amended to read:

45-907 (1) When an application for a delayed deposit services
business license has been accepted by the director as substantially
complete, notice of the filing of the application shall be published by
the director for three successive weeks in a legal newspaper published in
or of general circulation in the county where the applicant proposes to
operate the delayed deposit services business. A public hearing shall be
held on each application except as provided in subsection (2) of this
section. The date for hearing shall not be less than thirty days after
the last publication. Written protest against the issuance of the license
may be filed with the department by any
person not less than five days before the date set for hearing. The
director, in his or her discretion, may grant a continuance. The costs of
the hearing shall be paid by the applicant. The director may investigate
the propriety of the issuance of a license to the applicant. The costs of such investigation shall be paid by the applicant.

(2) The director may waive the hearing requirements of subsection (1) of this section if (a) the applicant has held and operated under a license to engage in the delayed deposit services business in Nebraska pursuant to the Delayed Deposit Services Licensing Act for at least three calendar years immediately prior to the filing of the application, (b) no written protest against the issuance of the license has been filed with the department within fifteen days after publication of a notice of the filing of the application one time in a newspaper of general circulation in the county where the applicant proposes to operate the delayed deposit services business, and (c) in the judgment of the director, the experience, character, and general fitness of the applicant warrant the belief that the applicant will comply with the act.

(3) The expense of any publication made pursuant to this section shall be paid by the applicant.

Sec. 7. Section 45-908, Reissue Revised Statutes of Nebraska, is amended to read:

45-908 The director shall issue a license to an applicant, if, after public hearing and any investigation of the applicant, the director determines that:

(1) The experience, character, and general fitness of the applicant and its officers, directors, shareholders, partners, or members are such as to warrant the belief that the applicant will conduct the delayed deposit services business honestly, fairly, and efficiently;

(2) The applicant and its officers, directors, shareholders, partners, or members have not been convicted of a felony in this state or any other jurisdiction which would indicate moral turpitude on the part of the applicant;

(3) The applicant is financially responsible and will conduct the delayed deposit services business pursuant to the Delayed Deposit
(4) The applicant has assets of at least twenty-five thousand dollars available for operating the delayed deposit services business.

Sec. 8. Section 45-910, Revised Statutes Cumulative Supplement, 2016, is amended to read:

45-910 (1) A license issued pursuant to the Delayed Deposit Services Licensing Act shall be conspicuously posted at the licensee's place of business.

(2) All licenses shall remain in effect until the next succeeding May 1, unless earlier canceled, suspended, or revoked by the director pursuant to section 45-922 or surrendered by the licensee pursuant to section 45-911.

(3) Licenses may be renewed annually by filing with the director (a) a renewal fee consisting of five hundred dollars for the main office location and five hundred dollars for each branch office location and (b) an application for renewal containing such information as the director may require to indicate any material change in the information contained in the original application or succeeding renewal applications.

Sec. 9. Section 45-911, Reissue Revised Statutes of Nebraska, is amended to read:

45-911 A licensee may surrender a delayed deposit services business license by delivering to the director written notice that the license is surrendered. The Department of Banking and Finance may issue a notice of cancellation of the license following such surrender in lieu of revocation proceedings. The surrender shall not affect the licensee's civil or criminal liability for acts committed prior to such surrender, affect the liability for any fines which may be levied against the licensee or any of its officers, directors, shareholders, partners, or members for acts committed before the surrender, affect the liability of the surety on the bond, or entitle such licensee to a return of any part
of the annual license fee or fees. The director may establish procedures for the disposition of the books, accounts, and records of the licensee and may require such action as he or she deems necessary for the protection of borrowers and borrowers' instruments that the makers of checks which are outstanding at the time of surrender of the license.

Sec. 10. Section 45-915, Reissue Revised Statutes of Nebraska, is amended to read:

45-915 (1) Except as provided in subsection (2) of this section, a licensee may operate a delayed deposit services business only at an office designated as its principal place of business in the application. A licensee may change the location of its designated principal place of business with the prior written approval of the director. The director may establish forms and procedures for determining whether the change of location should be approved.

(2) A licensee may operate branch offices only in the same county in which the licensee's designated principal place of business is located. The licensee may establish a branch office or change the location of a branch office with the prior written approval of the director. The director may establish forms and procedures for determining whether an original branch or branches or a change of location of a branch should be approved.

(3) A fee of five hundred one hundred fifty dollars shall be paid to the director for each request made pursuant to subsection (1) or (2) of this section.

Sec. 11. Section 45-915.01, Reissue Revised Statutes of Nebraska, is amended to read:

45-915.01 (1) Each licensee shall keep or make available the books and records relating to transactions made under the Delayed Deposit Services Licensing Act as are necessary to enable the department to determine whether the licensee is complying with the act. The books and records shall be maintained in a manner consistent with accepted
accounting practices.

(2) A licensee shall, at a minimum, include in its books and records copies of all application materials relating to borrowers, makers, disclosure agreements, instruments, checks, payment receipts, and proofs of compliance required by section 45-919.

(3) A licensee shall preserve or keep its books and records relating to every delayed deposit transaction for three years from the date of the inception of the transaction, or two years from the date a final entry is made thereon, including any applicable collection effort, whichever is later.

(4) The licensee shall maintain its books, accounts, and records, whether in physical or electronic form, at its designated principal place of business, except that books, accounts, and records which are older than two years may be maintained at any other place within this state as long as such records are available for inspection by the Department of Banking and Finance.

Sec. 12. Section 45-917, Reissue Revised Statutes of Nebraska, is amended to read:

45-917 (1) Every licensee shall, at the time any delayed deposit services transaction is made, give to the maker of the check, or if there are two or more makers, to one of them, a notice written in plain English disclosing:

(a) The fee to be charged for the transaction;

(b) The date on which the check will be deposited or presented for negotiation; and

(c) Any penalty not to exceed fifteen dollars which the licensee will charge if the check is not negotiable on the date agreed upon. If the licensee required the maker to give two checks for one delayed deposit transaction, the licensee shall charge only one penalty in the event both checks are not negotiable on the date agreed upon.

(2) In addition to the notice required by subsection (1) of this
section, every licensee shall conspicuously display a schedule of all
fees, charges, and penalties for all services provided by the licensee.
Such notice shall be posted at every office of the licensee.

Each delayed deposit loan transaction shall be documented by a
written agreement signed by both the licensee and the borrower. Every
licensee shall, at the time any delayed deposit loan transaction is made,
give to the borrower or, if there are two or more borrowers, to one of
them, such written agreement in plain English disclosing:

(1) The name of the borrower, transaction date, and loan amount;
(2) The schedule of payments, total repayment, and loan duration;
(3) The total loan charges, expressed both as a dollar amount and an
annual percentage rate;
(4) The date on which the instrument will be deposited or presented
for negotiation;
(5) Any allowable penalty upon default of the loan if the instrument
is not negotiable on the date agreed upon; and
(6) The following language, all capitalized and in at least ten-
point font:

1. THIS TYPE OF LOAN SHOULD BE USED ONLY TO MEET SHORT-TERM CASH
NEEDS.
2. THE LAW DOES NOT ALLOW THIS TYPE OF LOAN TO BE MORE THAN FIVE
HUNDRED DOLLARS ($500) IN TOTAL, PLUS FEES AND CHARGES, FROM ONE LENDER.
3. YOU HAVE THE RIGHT TO RESCIND OR NOT TAKE OUT THIS LOAN IF YOU DO
SO BY THE NEXT BUSINESS DAY AT 5 P.M.
4. YOU HAVE THE RIGHT TO REVOKE OR REMOVE YOUR AUTHORIZATION FOR
ELECTRONIC PAYMENT.

Sec. 13. Every licensee shall conspicuously display a schedule of
all finance charges, fees, interest, other charges, and penalties for all
services provided by the licensee. Such notice shall be posted at every
office of the licensee.

Sec. 14. Section 45-918, Reissue Revised Statutes of Nebraska, is
amended to read:

45-918 No licensee shall charge as a fee a total amount in excess of fifteen dollars per one hundred dollars or pro rata for any part thereof on the face amount of a check for services provided by licensee.

(1) Delayed deposit loans shall be precomputed loans, payable in substantially equal installments of principal, fees, interest, and charges combined. For purposes of this subsection, precomputed loan means a loan in which the debt is a sum comprising the principal amount and the amount of fees, interest, and charges computed in advance on the assumption that all scheduled payments will be made when due.

(2) The total monthly payment shall not exceed the greater of five percent of a borrower's verified gross, pretax monthly income or six percent of the borrower's verified net, posttax monthly income.

(3) Before initiating a delayed deposit loan transaction, a licensee shall make a reasonable determination of the borrower's verified income, which shall include obtaining from the borrower one or more recent pay stubs or other written evidence of recurring income such as bank statements. Such evidence shall include at least one document that, when presented, is dated not more than forty-five days prior to the initiation of the delayed deposit loan transaction. If a licensee obtains a bank statement from a borrower, the licensee shall allow the borrower to redact information other than the evidence of salary or wages.

(4) The department may provide additional guidance or may adopt and promulgate rules and regulations regarding the verification of income.

Sec. 15. (1) Licensees may charge, collect, and receive only the following fees and charges in connection with a delayed deposit loan:

(a) Interest of no more than thirty-six percent per annum;

(b) A monthly maintenance fee of the lessor of five percent of the original contracted loan amount or twenty dollars, which fees shall not be added to the original contracted loan for purposes of calculating interest. The fees set forth in this subdivision shall not be charged to
individuals on active duty military or their spouses or dependents; and

(c) Charges permitted for the presentation of nonnegotiable instruments under section 16 of this act.

(2) Notwithstanding any provision of the Delayed Deposit Services Licensing Act to the contrary, a licensee shall not charge, collect, or receive in connection with a delayed deposit loan a total amount of fees, interest, and charges that exceeds fifty percent of the original loan amount. All charges made in connection with the delayed deposit loan shall be included in the total loan charge except charges permitted for the presentation of nonnegotiable instruments under section 16 of this act.

(3) No licensee shall charge, collect, or receive any finance charges, fees, interest, or similar charges for loan brokerage, insurance, or any other ancillary products. No licensee or any other person, including a person operating as a credit services organization, shall charge, collect, or receive any finance charges, fees, interest, or similar charges that would cause a borrower to pay an amount in excess of or in addition to those permitted under the Delayed Deposit Services Licensing Act in connection with a delayed deposit loan, including, but not limited to, charges for loan brokerage, insurance, or any other ancillary products.

Sec. 16. If an instrument held by a licensee as a result of a delayed deposit loan is returned unpaid to the licensee from a payor financial institution due to insufficient funds, a closed account, a stop-payment order, or any other reason, not including a bank error, the licensee shall have the right to exercise all civil means authorized by law to collect the face value of the instrument. In addition, the licensee may contract for and collect one returned instrument charge for each delayed deposit loan, not to exceed fifteen dollars, plus court costs and reasonable attorney's fees as awarded by a court and incurred as a result of the default. However, such attorney's fees shall not
exceed the loan amount. The licensee shall not collect any other fees as a result of default. A returned instrument charge shall not be allowed if, due to forgery or theft, the loan proceeds instrument is dishonored by the financial institution.

Sec. 17. (1) A licensee shall accept prepayment from a borrower prior to the loan due date without charging the borrower a penalty of any kind.

(2) Upon prepayment in full by a borrower prior to the maturity of the loan term, the licensee shall promptly refund to the borrower a prorated portion of all interest and fees. The prorated rebate shall be based on the ratio of the number of days the delayed deposit loan was outstanding and the number of days for which the delayed deposit loan was originally contracted.

(3) Monthly fees shall not be considered fully earned at the beginning of a month.

Sec. 18. A licensee shall not lend an amount greater than five hundred dollars, plus allowable fees and interest, to any borrower. Sec. 19. (1) A borrower shall have the right to rescind a delayed deposit loan on or before 5 p.m. the next business day following the delayed deposit loan transaction.

(2) Prior to the licensee negotiating or presenting the instrument, the borrower shall have the right to redeem any instrument held by a licensee as a result of a delayed deposit loan if the borrower pays the full loan amount to the licensee.

Sec. 20. (1) Deferred presentment of an instrument by a licensee shall be permitted only for instruments with an amount of five hundred dollars or less, plus allowable fees and interest.

(2) A licensee may pay the proceeds from a delayed deposit loan or rebate to the borrower in the form of a check, money order, cash, stored value card, internet transfer, or authorized automated clearinghouse transaction. The borrower shall not be charged an additional finance
charge or fee for cashing the licensee's check or for negotiating forms
of loan proceeds or rebates other than cash.

(3) A licensee may utilize electronic payment through transfer or
withdrawal of funds from the borrower’s account only, but only with the
written authorization of the borrower.

Sec. 21. Section 45-919, Reissue Revised Statutes of Nebraska, is
amended to read:

45-919 (1) No licensee shall:

(a) Enter into more than one delayed deposit loan with the same
borrower at any one time. At any one time hold from any one maker more
than two checks;

(b) At any one time hold from any one borrower an instrument or
instruments in an aggregate maker a check or checks in an aggregate face
amount of more than five hundred dollars, plus allowable fees and
interest;

(c) Negotiate or present an instrument for payment unless the
instrument is endorsed with the actual business name of the licensee. Hold
or agree to hold a check for more than thirty-four days. A check which is
in the process of collection for the reason that it was not negotiable on
the day agreed upon shall not be deemed as being held in excess of the
thirty-four-day period;

(d) Require the borrower maker to receive payment by a method which
causes the borrower maker to pay additional or further fees and charges
to the licensee or other person;

(e) Accept an instrument a check as repayment, refinancing, or any
other consolidation of an instrument or instruments a check or checks
held by the same licensee;

(f) Renew, roll over, defer, or in any way extend the term or
duration of a delayed deposit loan transaction by allowing the borrower
maker to pay less than the total amount of the instrument check and any
authorized fees or charges, except that a licensee may hold an instrument
and delay completion of a delayed deposit loan beyond the loan due date without any additional written agreement or new disclosure, but the licensee shall not charge any additional charges or fees for holding the instrument or delaying the completion of the transaction; This subdivision shall not prevent a licensee that agreed to hold a check for less than thirty-four days from agreeing to hold the check for an additional period of time no greater than the thirty-four days it would have originally been able to hold the check if (i) the extension is at the request of the maker, (ii) no additional fees are charged for the extension, and (iii) the delayed deposit transaction is completed as required by subdivision (1)(c) of this section. The licensee shall retain written or electronic proof of compliance with this subdivision. If a licensee fails, or is unable, to provide such proof to the department upon request, there shall be a rebuttable presumption that a violation of this subdivision has occurred and the department may pursue any remedies or actions available to it under the Delayed Deposit Services Licensing Act; or (g) Enter into another delayed deposit transaction with the same borrower maker on the same business day as the completion of a delayed deposit transaction unless prior to entering into the transaction the borrower maker and the licensee verify on a form prescribed by the department that completion of the prior delayed deposit transaction has occurred. The licensee shall retain written proof of compliance with this subdivision. If a licensee fails, or is unable, to provide such proof to the department upon request, there shall be a rebuttable presumption that a violation of this subdivision has occurred and the department may pursue any remedies or actions available to it under the Delayed Deposit Services Licensing Act; or (h) Engage, in connection with a delayed deposit loan, in unfair or deceptive practices or advertising under the Uniform Deceptive Trade Practices Act. It shall be a violation of this subdivision for a person
to engage in any act that limits or restricts the application of the
Delayed Deposit Services Licensing Act, including, but not limited to,
making loans disguised as personal property, personal sales, or leaseback
transactions, or to disguise loan proceeds as cash rebated for the
pretexual installment sale of goods and services.

(2) For purposes of this section, (a) completion of a delayed
deposit transaction means the licensee has presented a borrower's
instrument maker's check for payment to a financial institution as
defined in section 8-101 or the borrower maker redeemed the instrument
check by paying the full amount of the instrument check in cash to the
licensee and (b) licensee includes shall include (i) a person related to
the licensee by common ownership or control, (ii) a person in whom such
licensee has any financial interest of ten percent or more, or (iii) any
employee or agent of the licensee.

Sec. 22. Section 45-921, Reissue Revised Statutes of Nebraska, is
amended to read:

45-921 (1) The director may examine or investigate complaints about
or reports of alleged violations of the Delayed Deposit Services
Licensing Act or any rule, regulation, or order of the director
thereunder. The director may order the actual cost of such examination or
investigation to be paid by the person who is the subject of the
examination or investigation, whether the alleged violator is licensed or
not.

(2) The director may publish information concerning any violation of
the act or any rule, regulation, or order of the director under the act.

(3) For purposes of any investigation, examination, or proceeding
under the act, the director may administer oaths and affirmations,
subpoena witnesses, compel their attendance, take evidence, and require
the production of any books, papers, correspondence, memoranda,
agreements, or other documents or records which the director deems
relevant or material to the examination, investigation, or proceeding.

-17-
(4) In the case of contumacy by or refusal to obey a subpoena issued to any person, the district court of Lancaster County, upon application by the director, may issue an order requiring such person to appear before the director and to produce documentary evidence if so ordered to give evidence on the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as contempt.

(5) Upon receipt by a licensee of a notice of investigation or inquiry request for information from the department, the licensee shall respond within twenty-one calendar days. Each day a licensee fails to respond as required by this subsection shall constitute a separate violation.

(6) If the director finds, after notice and opportunity for hearing in accordance with the Administrative Procedure Act, that any person has violated subsection (5) of this section, the director may order such person to pay (a) an administrative fine of not more than two thousand dollars for each separate violation and (b) the costs of investigation. The department shall remit fines collected under this subsection to the State Treasurer for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska. All fines collected by the department pursuant to this subsection shall be remitted to the State Treasurer for credit to the permanent school fund.

(7) If a person fails to pay an administrative fine and the costs of investigation ordered pursuant to subsection (6) of this section, a lien in the amount of such fine and costs may be imposed upon all assets and property of such person in this state and may be recovered in a civil action by the director. The lien shall attach to the real property of such person when notice of the lien is filed and indexed against the real property in the office of the register of deeds in the county where the real property is located. The lien shall attach to any other property of such person when notice of the lien is filed against the property in the manner prescribed by law. Failure of the person to pay such fine and
costs shall constitute a separate violation of the Delayed Deposit Services Licensing Act.

Sec. 23. Section 45-922, Reissue Revised Statutes of Nebraska, is amended to read:

45-922 (1) The director may, following a hearing in accordance with the Administrative Procedure Act, suspend or revoke any license issued pursuant to the Delayed Deposit Services Licensing Act if he or she finds:

(a) A licensee or any of its officers, directors, partners, or members has knowingly violated the act or any rule, regulation, or order of the director thereunder;

(b) A fact or condition existing which, if it had existed at the time of the original application for such license, would have warranted the director to refuse to issue such license;

(c) A licensee has abandoned its place of business for a period of thirty days or more;

(d) A licensee or any of its officers, directors, partners, or members has knowingly subscribed to, made, or caused to be made any false statement or false entry in the books and records of any licensee, has knowingly subscribed to or exhibited false papers with the intent to deceive the Department of Banking and Finance, has failed to make a true and correct entry in the books and records of such licensee of its business and transactions in the manner and form prescribed by the department, or has mutilated, altered, destroyed, secreted, or removed any of the books or records of such licensee without the written approval of the department or as provided in section 45-925; or

(e) A licensee has knowingly violated a voluntary consent or compliance agreement which had been entered into with the director.

(2) Except as provided in this section, a license shall not be revoked or suspended except after notice and a hearing in accordance with the Administrative Procedure Act.
(3)(a) If a licensee fails to renew its license as required by section 45-910 and does not voluntarily surrender the license pursuant to section 45-911, the department may issue a notice of expiration of the license to the licensee in lieu of revocation proceedings.

(b) If a licensee fails to maintain a surety bond as required by section 45-906, the department may issue a notice of cancellation of the license in lieu of revocation proceedings.

(4) Revocation, suspension, cancellation, or expiration of a license shall not impair or affect the obligation of a preexisting lawful contract between the licensee and any person, including a borrower maker of a check.

(5) Revocation, suspension, cancellation, or expiration of a license shall not affect civil or criminal liability for acts committed before the revocation, suspension, cancellation, or expiration or liability for fines levied against the licensee or any of its officers, directors, shareholders, partners, or members, pursuant to section 45-925, for acts committed before the revocation, suspension, cancellation, or expiration.

Sec. 24. Section 45-923, Reissue Revised Statutes of Nebraska, is amended to read:

45-923 If the director believes that any person has engaged in or is about to engage in any act or practice constituting a violation of the Delayed Deposit Services Licensing Act or any rule, regulation, or order of the director, the director may issue a cease and desist order in order to prohibit the making of additional delayed deposit loans by the licensee.

Upon entry of a cease and desist order the director shall promptly notify in writing all persons to whom the order is directed that it has been entered and of the reasons for the order. Any person to whom the order is directed may in writing request a hearing within fifteen business days after the date of the issuance of the order. Upon receipt of such written request, the matter shall be set for hearing within
thirty business days after receipt by the director, unless the parties consent to a later date or the hearing officer sets a later date for good cause. If a hearing is not requested within fifteen business days and none is ordered by the director, the order of the director shall automatically become final and shall remain in effect until modified or vacated by the director. If a hearing is requested or ordered, the director, after notice and hearing, shall issue his or her written findings of fact and conclusions of law and may affirm, vacate, or modify the order.

The director may vacate or modify an order if he or she finds that the conditions which caused its entry have changed or that it is otherwise in the public interest to do so. Any person aggrieved by a final order of the director may appeal the order, and the appeal shall be in accordance with the Administrative Procedure Act.

Sec. 25. Section 45-925, Reissue Revised Statutes of Nebraska, is amended to read:

45-925 (1) If the director finds, after notice and hearing in accordance with the Administrative Procedure Act, that any person has violated the Delayed Deposit Services Licensing Act or any rule, regulation, or order of the director thereunder, the director may order such person to pay (a) an administrative fine of not more than five thousand dollars for each separate violation and (b) the costs of investigation.

(2) If any person is found to have violated subdivision (1)(e), (1)(f), or (1)(g) of section 45-919, the director may also order such person to (a) return to the borrower or borrowers maker or makers all fees collected plus all or part of the amount of the instrument check or checks which the licensee accepted in violation of such subdivision or subdivisions and (b) for a period up to one year not engage in any delayed deposit transaction with any borrower maker for at least three days after the completion of a delayed deposit transaction with the same
If a person fails to pay an administrative fine and the costs of investigation ordered pursuant to subsection (1) of this section, a lien in the amount of such fine and costs may be imposed upon all assets and property of such person in this state and may be recovered in a civil action by the director. Failure of the person to pay such fine and costs shall constitute a separate violation of the act.

Sec. 26. (1) Licensees shall, on an annual basis, provide the following information to the director, in a uniform manner prescribed by the department: Total number of borrowers; total number of loans; average loan size; total contracted loan charges; total loan actual charges; number of defaulted loans; number of charged-off loans; dollar value of loans charged off; number of nonnegotiable instrument fees and dollar value for the same; average contracted annual percentage rate; and any other nonprivate information which may be requested in the discretion of the director.

(2) The department shall compile the total number of licensees operating in this state by location and the information required in subsection (1) of this section regarding the lending activities of licensees and borrowers under the Delayed Deposit Services Licensing Act and shall report electronically to the Banking, Commerce and Insurance Committee of the Legislature on or before December 1, 2018, and annually thereafter.

Sec. 27. The written loan agreement for a delayed deposit loan may provide that the entire unpaid loan balance, at the option of the licensee, becomes due and payable after the delayed deposit loan has been in default for ten days and written notice has been provided to the borrower. Upon such acceleration, the licensee shall not be entitled to judgment for unearned interest, but the balance owing shall be computed as if the borrower had made a voluntary prepayment as of the date of acceleration.

Sec. 28. (1) At least three days prior to a licensee’s attempt to
collect upon a borrower’s account, a licensee shall provide a written notice to the borrower regarding the collection attempt. The written notice shall include information on the amount sought to be collected, the number of days payment is overdue, the date collection will be attempted, and the methods by which the borrower may avoid or remedy the collection attempt.

(2) A licensee shall not attempt to deposit or negotiate an instrument after two consecutive failed collection attempts unless the licensee has obtained a new, written payment authorization from the borrower.

Sec. 29. Section 45-927, Revised Statutes Cumulative Supplement, 2016, is amended to read:

45-927 (1) The director shall collect fees, charges, costs, and fines under the Delayed Deposit Services Licensing Act and remit them to the State Treasurer. Except as provided in subsection (2) of this section, the State Treasurer shall credit the fees, charges, and costs to the Financial Institution Assessment Cash Fund and distribute the fines in accordance with Article VII, section 5, of the Constitution of Nebraska.

(2) For fees collected pursuant to section 45-910, the State Treasurer shall (a) credit one hundred fifty dollars of each renewal fee for a main office to the Financial Institution Assessment Cash Fund and four hundred thirty-five dollars of each renewal fee for a main office to the Financial Literacy Cash Fund and (b) credit one hundred dollars of each renewal fee for a branch office to the Financial Institution Assessment Cash Fund and four hundred fifty dollars of each renewal fee for a branch office to the Financial Literacy Cash Fund.

Sec. 30. Section 45-1001, Reissue Revised Statutes of Nebraska, is amended to read:

45-1001 Sections 45-1001 to 45-1069 and section 31 of this act shall be known and may be cited as the Nebraska Installment Loan Act.
Sec. 31. Notwithstanding any other provision of law, the minimum term of a loan contract for any loan governed by the Nebraska Installment Loan Act shall be six months from the loan transaction date.

Sec. 32. This act becomes operative on January 1, 2018.

Sec. 33. Original sections 45-804, 45-902, 45-904, 45-906, 45-907, 45-908, 45-911, 45-915, 45-915.01, 45-917, 45-918, 45-919, 45-921, 45-922, 45-923, 45-925, and 45-1001, Reissue Revised Statutes of Nebraska, and sections 45-901, 45-910, and 45-927, Revised Statutes Cumulative Supplement, 2016, are repealed.