

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB379

Hearing Date: Tuesday March 12, 2019
Committee On: Banking, Commerce and Insurance
Introducer: Kolterman
One Liner: Change provisions under the Delayed Deposit Services Licensing Act and the Nebraska Installment Loan Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	5	Senators Gragert, Kolterman, La Grone, McCollister, Williams
Nay:	2	Senators Howard, Quick
Absent:		
Present Not Voting:	1	Senator Lindstrom

Oral Testimony:

Proponents:

Senator Mark Kolterman
Justin Brady
Mark Quandahl
Kent Rogert

Representing:

Introducer
Advance America
NE Department of Banking & Finance
NE Financial Service Association

Opponents:

James Goddard
Tiffany Joekel
Julie Kalkowski
Rodney Kuhlmann
Jina Ragland
Julia Tse

Representing:

Nebraska Appleseed
Women's Fund of Omaha
Financial Hope Collaborative
Omaha Together One Community
AARP Nebraska
Voices for Children Nebraska

Neutral:

Jennifer Davidson

Representing:

NE Council on Economic Education

Summary of purpose and/or changes:

This bill would amend the Delayed Deposit Services Licensing Act and the Nebraska Installment Loan Act to provide new provisions regarding the licensing and authority of delayed deposit services licensees.

DELAYED DEPOSIT SERVICES

Section 1 would amend section 45-901 of the Delayed Deposit Services Licensing Act to provide for assignment of new sections 3 and 4 within the act.

Section 2 would amend section 45-902 of the Delayed Deposit Services Licensing Act to provide for a new definition: "Nationwide Mortgage Licensing System and Registry" --a licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the

licensing and registration of mortgage loan originators, mortgage bankers, installment loan companies, and other state-regulated financial services entities and industries.

Section 3 would enact a new section in the Delayed Deposit Services Licensing Act to provide that nothing in the act shall prevent a licensee from acquiring a license under the Nebraska Installment Loan Act.

Section 4 would enact a new section in the Delayed Deposit Services Licensing Act to provide that licensees shall be licensed and registered through the Nationwide Mortgage Licensing System and Registry and that the Department of Banking and Finance is authorized to participate in the registry. This section would provide that the department may establish requirements, including background checks of an applicant's or a licensee's criminal history record information. This section would also authorize the department to contract with the registry to collect and maintain records and process fees related to licensees.

Section 5 would amend section 45-915 of the Delayed Deposit Services Licensing Act to provide that a licensee may offer delayed deposit services business online, so long as the licensee designates at least one principal place of business within this state. This section would repeal provisions that currently provide that a licensee may operate a branch only in the same county in which the licensee's designated place of business is located. No specific provisions relating to branches would remain.

INSTALLMENT LOANS

Section 6 would amend section 45-1001 of the Nebraska Installment Loan Act to provide for assignment of new section 7 within the act.

Section 7 would enact a new section in the Nebraska Installment Loan Act to provide that nothing in the act shall prevent an installment loan licensee from acquiring a license under the Delayed Deposit Services Licensing Act.

MISCELLANEOUS

Section 8 would provide for repeal of amendatory sections.

Explanation of amendments:

The committee amendments would become the bill and would make the following changes in the bill:

DELAYED DEPOSIT SERVICES

Section 1 to amend section 45-901 of the Delayed Deposit Services Licensing Act. The committee amendments would harmonize internal references to other sections of the committee amendments.

Section 2 to amend section 45-902 of the Delayed Deposit Services Licensing Act. The committee amendments would update an internal reference to a federal statute.

Section 3 to amend section 45-905 of the Delayed Deposit Services Licensing Act (not included in the bill as introduced). The committee amendments would amend provisions relating to license applications to provide an internal reference to new section 6 of the committee amendments.

Section 4 to amend section 45-906 of the Delayed Deposit Services Licensing Act (not included in the bill as introduced). The committee amendments would amend provisions relating to license application processing fees to provide an internal reference to new section 6 of the committee amendments.

Section 5 (section 3 of the bill as introduced). The committee amendments would make no changes.

Section 6 (section 4 of the bill as introduced). The committee amendments would amend provisions relating to background checks of applicants and licensees through submission of fingerprints of a principal officer, director, partner, member, or sole proprietor to the Federal Bureau of Investigation or other authorized governmental agency or entity.

Section 7 to amend section 45-910 of the Delayed Deposit Services Licensing Act (not included in the bill as introduced). The committee amendments would amend provisions relating to expiration and renewal of licenses.

Section 8 to amend section 45-912 of the Delayed Deposit Services Licensing Act (not included in the bill as introduced). The committee amendments would provide that when a licensee is required to notify the Director of Banking and Finance of a change in its business, the notification shall be through the Nationwide Mortgage Licensing System and Registry.

Section 9 to amend section 45-915 of the Delayed Deposit Services Licensing Act (section 5 of the bill as introduced). The committee amendments would insert provisions relating to license application processing fees. The committee amendments would further provide that a licensee may operate branch offices at any location in this state with the prior written approval of the Director of Banking and Finance. Section 45-915 currently provides that a licensee may operate branch offices only in the same county in which the licensee's designated principal place of business is located.

INSTALLMENT LOANS

Section 10 to amend section 45-1001 of the Nebraska Installment Loan Act (section 6 of the bill as introduced). The committee amendments would harmonize an internal reference to another section of the committee amendments.

Section 11 (section 7 of the bill as introduced). The committee amendments would make no changes.

MISCELLANEOUS

Section 12 (section 8 of the bill as introduced). The committee amendments would update references to sections that would be repealed by the bill.

Matt Williams, Chairperson