

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 474**

Introduced by Banking, Commerce and Insurance Committee: Jacobson, 42, Chairperson; Bostar, 29; Hallstrom, 1; Hardin, 48; Riepe, 12; von Gillern, 4; Wordekemper, 15; Sorrentino, 39.

Read first time January 21, 2025

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to interest, loans, and debt; to amend  
2 sections 8-319, 8-330, 8-601, 8-820.01, 44-1703, 45-101.04,  
3 45-1,110, 45-334, 45-335, 45-336, 45-337, 45-338, 45-339, 45-340,  
4 45-341, 45-342, 45-343, 45-344, 45-345, 45-347, 45-348, 45-350,  
5 45-351, 45-352, 45-353, 45-355, 45-356, 45-702, 45-703, 45-705,  
6 45-729, 45-734, 45-804, and 76-2711, Reissue Revised Statutes of  
7 Nebraska, and sections 45-346, 45-354, and 69-2103, Revised Statutes  
8 Cumulative Supplement, 2024; to rename the Nebraska Installment  
9 Sales Act; to transfer the provisions of and eliminate the Nebraska  
10 Installment Loan Act; to change and eliminate provisions relating to  
11 installment sales and installment loans; to harmonize provisions; to  
12 provide an operative date; to repeal the original sections; and to  
13 outright repeal sections 45-351.01, 45-1001, 45-1004, 45-1007,  
14 45-1008, 45-1009, 45-1010, 45-1011, 45-1012, 45-1013, 45-1014,  
15 45-1015, 45-1016, 45-1017, 45-1019, 45-1020, 45-1021, 45-1022,  
16 45-1023, 45-1024, 45-1025, 45-1026, 45-1027, 45-1028, 45-1029,  
17 45-1030, 45-1031, 45-1032, 45-1033, 45-1033.02, 45-1034, 45-1035,  
18 45-1036, 45-1037, 45-1038, 45-1039, 45-1040, 45-1041, 45-1042,  
19 45-1043, 45-1044, 45-1045, 45-1046, 45-1047, 45-1048, 45-1049,  
20 45-1050, 45-1051, 45-1052, 45-1053, 45-1054, 45-1055, 45-1056,  
21 45-1057, 45-1058, 45-1059, 45-1060, 45-1061, 45-1062, 45-1063,  
22 45-1064, 45-1065, 45-1066, 45-1067, 45-1068, 45-1069, and 45-1070,

1 Reissue Revised Statutes of Nebraska, and sections 45-346.01,  
2 45-1002, 45-1003, 45-1005, 45-1006, 45-1018, and 45-1033.01, Revised  
3 Statutes Cumulative Supplement, 2024.

4 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 8-319, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           8-319 (1) No loan shall be made by such association except to its  
4 own members, and no loan shall be made to any member for any sum in  
5 excess of the par value of his or her stock. The borrower shall pledge to  
6 the association, as security for the loan, shares of a maturity value  
7 equal to the principal of the loan and, except as otherwise provided in  
8 this section, ample security by mortgage or deeds of trust on real  
9 estate. For purposes of this section, real property and real estate shall  
10 include a leasehold or subleasehold estate in real property under a lease  
11 or sublease the term of which does not expire, or which is renewable  
12 automatically or at the option of the holder or of the association so as  
13 not to expire for at least five years beyond the maturity of the debt.  
14 Loans made upon improved real estate, except as otherwise provided in  
15 this section, shall not exceed ninety-five percent of the reasonable  
16 normal cash value thereof, and all loans made on any other real estate  
17 shall not exceed three-fourths of the reasonable normal cash value  
18 thereof.

19           (2) An association may make a loan or loans in an amount exceeding  
20 ninety-five percent of the reasonable normal cash value of the real  
21 estate security (a) if such loan or loans are made to a veteran in accord  
22 with the provisions of 38 U.S.C., as now existing or as hereafter  
23 amended, (b) if the proceeds of the loan or loans are to be used in  
24 purchasing residential property or in constructing a dwelling on  
25 unimproved property owned by such veteran to be occupied as his or her  
26 home, used for the purpose of making repairs, alterations, or  
27 improvements in or paying delinquent indebtedness, taxes, or special  
28 assessments on residential property owned by the veteran and used by him  
29 or her as his or her home, or used in purchasing any land and buildings  
30 to be used by the applicant in pursuing a gainful occupation other than  
31 farming, and (c) if the Secretary of Veterans Affairs guarantees that

1 portion of such loan or loans in excess of ninety-five percent of the  
2 reasonable normal cash value of the real estate security.

3 (3) An association is authorized to obtain insurance of its loans by  
4 the Federal Housing Administrator under Title II of the National Housing  
5 Act, as amended, and such loans so made upon improved real estate and so  
6 insured shall not be subject to the restrictions set forth in this  
7 section with reference to the maximum authorized amount of a loan.

8 (4) An association may make unsecured loans to its members if such  
9 loans (a) are insured under Title I and Title II of the National Housing  
10 Act, as amended, or (b) are for property alterations, repair, or  
11 improvements. The aggregate amount of loans made under subdivisions (a)  
12 and (b) of this subsection shall not at any time exceed twenty percent of  
13 the association's assets. Each loan made under subdivision (b) of this  
14 subsection shall be repayable in regular monthly installments within a  
15 period of twenty years and shall be supported by a written property  
16 statement on forms to be prescribed by the Department of Banking and  
17 Finance. An association may make secured loans to its members and may  
18 make loans under 38 U.S.C., as amended, under Chapter V, subchapter C of  
19 the Home Owners' Loan Act of 1933, as amended (12 U.S.C.), and on the  
20 security of mobile homes.

21 (5) The stock of such association may be accepted as security for a  
22 loan of the amount of the withdrawal value of such stock without other  
23 security.

24 (6) An association when so licensed may make loans to its own  
25 members upon the terms and security set forth in the Nebraska Installment  
26 Loan and Sales Act.

27 (7) Any provisions of this section to the contrary notwithstanding,  
28 an association may make any loan that a federal savings and loan  
29 association doing business in this state is or may be authorized to make.

30 (8) An association may invest in loans, obligations, and advances of  
31 credit, all of which are referred to in this subsection as loans, made

1 for the payment of expenses of business school, technical training  
2 school, college, or university education, but no association shall make  
3 any investment in loans under this subsection if the principal amount of  
4 its investment in such loans, exclusive of any investment which is or  
5 which at the time of its making was otherwise authorized, would thereupon  
6 exceed five percent of its assets. Such loans may be secured, partly  
7 secured, or unsecured, and the association may require a comaker or  
8 comakers, insurance, guaranty under a governmental student loan guarantee  
9 plan, or other protection against contingencies. The borrower shall  
10 certify to the association that the proceeds of the loan are to be used  
11 by a full-time student solely for the payment of expenses of business,  
12 technical training school, college, or university education.

13 (9) An association may participate with other lenders in making  
14 loans of any type that an association may otherwise make if (a) each of  
15 the lenders is either an instrumentality of the United States Government  
16 or is insured by the Federal Deposit Insurance Corporation or, in the  
17 case of another lender, the interest of the association in such loan is  
18 superior to the participating interests of the other participants and (b)  
19 an association whose accounts are insured by the Federal Deposit  
20 Insurance Corporation which may be a federal association or an  
21 association chartered by this state, or another association chartered by  
22 this state which is not so insured, has otherwise complied with  
23 subsection (1) of this section with respect to loans to members.

24 (10) An association may sell to or purchase from any institution  
25 which is a savings association chartered by this state or the accounts of  
26 which are insured by the Federal Deposit Insurance Corporation a  
27 participating interest in any loan, whether or not, in the case of a  
28 purchase, the security is located within the association's regular  
29 lending area.

30 **Sec. 2.** Section 8-330, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           8-330 Every association may require borrowing members to pay all  
2 reasonable expenses incurred in connection with the making, closing,  
3 disbursing, extending, readjusting, or renewing of real estate loans.  
4 Such expenses may include abstract, recording, and registration fees,  
5 title examinations, survey, escrow services, and taxes or charges imposed  
6 upon or in connection with the making and recording of any mortgage. Such  
7 reasonable charges may be collected by the association from the borrower  
8 and shall not be considered interest or a charge for the use of the money  
9 loaned. A charge not exceeding one percent or that allowed a federally  
10 chartered association for the premature prepayment may be made. The rate  
11 of interest on any loan of money shall be determined and computed upon  
12 the assumption that the debt will be paid according to the agreed terms  
13 and in the event the loan is paid or collected by court action prior to  
14 the term of the loan, any payment charged, received, or taken as an  
15 advance or forbearance which is in the nature of and taken into account  
16 in the calculation of interest, shall be spread over the stated term of  
17 the loan for the purpose of determining the rate of interest. Any amounts  
18 paid or contracted to be paid by persons other than the borrower shall  
19 not be considered interest and shall not be taken into account in the  
20 calculation of interest. Interest may be paid on escrow accounts held for  
21 the payment of taxes, insurance, and similar payments, if agreed to in  
22 writing by the borrower and association. Loans may be made by an  
23 association under a license granted it pursuant to the Nebraska  
24 Installment Loan and Sales Act, to borrowing members whose loans are  
25 secured by real estate, to the same extent and in the same amount as such  
26 loans may lawfully be made to nonborrowing members. The association shall  
27 furnish a loan settlement statement to each borrower, indicating in  
28 detail the charges and fees such borrower has paid or obligated himself  
29 or herself to pay to the association or to any other person in connection  
30 with such loan. A copy of such statement shall be retained in the records  
31 of the association.

1 An association may charge and receive interest, on property  
2 improvement loans including loans made under Title I of the National  
3 Housing Act, as amended, and unsecured loans authorized in section 5(c)  
4 of the Home Owners' Loan Act, as amended.

5 **Sec. 3.** Section 8-601, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 8-601 The Director of Banking and Finance may employ deputies,  
8 examiners, attorneys, and other assistants as may be necessary for the  
9 administration of the provisions and purposes of the Credit Union Act,  
10 Delayed Deposit Services Licensing Act, Interstate Branching and Merger  
11 Act, Interstate Trust Company Office Act, Nebraska Bank Holding Company  
12 Act of 1995, Nebraska Banking Act, Nebraska Financial Innovation Act,  
13 ~~Nebraska Installment Loan and Sales Act, Nebraska Installment Sales Act,~~  
14 Nebraska Money Transmitters Act, Nebraska Trust Company Act, and  
15 Residential Mortgage Licensing Act; Chapter 8, articles 3, 5, 6, 7, 8,  
16 13, 14, 15, 16, 19, 20, 24, and 25; and Chapter 45, articles 1 and 2. The  
17 director may levy upon financial institutions, namely, the banks, trust  
18 companies, building and loan associations, savings and loan associations,  
19 savings banks, digital asset depositories, and credit unions, organized  
20 under the laws of this state, and holding companies, if any, of such  
21 financial institutions, an assessment each year based upon the asset size  
22 of the financial institution, except that in determining the asset size  
23 of a holding company or digital asset depository, the assets of any  
24 financial institution or holding company otherwise assessed pursuant to  
25 this section and the assets of any nationally chartered financial  
26 institution shall be excluded. The assessment for digital asset  
27 depositories under the Nebraska Financial Innovation Act shall be in an  
28 amount to offset the costs of supervision and administration of the  
29 Nebraska Financial Innovation Act. The assessment shall be a sum  
30 determined by the director in accordance with section 8-606 and approved  
31 by the Governor.

1           **Sec. 4.** Section 8-820.01, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           8-820.01 It is hereby declared to be the public policy of the State  
4 of Nebraska that for purposes of applying the federal most-favored-lender  
5 doctrine, the bank credit card rate contained in section 8-820 is not  
6 comparable or analogous to the small loan rate found in section 23 of  
7 this act ~~sections 45-1024~~ and section 45-350 ~~45-1025~~. The Legislature  
8 finds that the institutions making small loans and the institutions  
9 administering a bank credit card are categorically different. The  
10 transactions carried on by these institutions are categorically  
11 different. The Legislature finds that small loan borrowers and bank  
12 credit card users are not synonymous or comparable. In establishing a  
13 small loan rate, the Legislature has recognized a risk factor that is  
14 different and greater than other financial transactions and therefor  
15 justifies the charging of a higher interest rate than installment loans,  
16 personal loans, retail revolving credit plans, or bank credit card  
17 interest rates.

18           **Sec. 5.** Section 44-1703, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20           44-1703 All life insurance and all accident and health insurance  
21 sold in connection with loans or other credit transactions shall be  
22 subject to sections 44-1701 to 44-1713 except such insurance sold in  
23 connection with a loan or other credit transaction of more than ten years  
24 duration or fifteen years duration when made by licensees under the  
25 Nebraska Installment Loan and Sales Act. No insurance shall be subject to  
26 sections 44-1701 to 44-1713 when the issuance of such insurance is an  
27 isolated transaction on the part of the insurer and not related to an  
28 agreement or a plan for insuring debtors of the creditor.

29           **Sec. 6.** Section 45-101.04, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31           45-101.04 The limitation on the rate of interest provided in section



1 45-101.03 shall not apply to:

2 (1) Other rates of interest authorized for loans made by any  
3 licensee or permittee operating under a license or permit duly issued by  
4 the Department of Banking and Finance pursuant to the Credit Union Act,  
5 the Nebraska Installment Loan and Sales Act, subsection (4) of section  
6 8-319, or sections 8-815 to 8-829;

7 (2) Loans made to any corporation, partnership, limited liability  
8 company, or trust;

9 (3) The guarantor or surety of any loan to a corporation,  
10 partnership, limited liability company, or trust;

11 (4) Loans made when the aggregate principal amount of the  
12 indebtedness is twenty-five thousand dollars or more of the borrower to  
13 any one financial institution, licensee, or permittee;

14 (5) Loans insured, guaranteed, sponsored, or participated in, either  
15 in whole or part, by any agency, department, or program of the United  
16 States or state government;

17 (6) Loans or advances of money, repayable on demand, which are made  
18 solely upon securities, as defined in subdivision (15) of section 8-1101,  
19 pledged as collateral for such repayment and in which such loans or  
20 advances are used by the borrower only for the purchase of securities as  
21 so defined. It shall be lawful to contract for and receive any rate of  
22 interest on such transaction as the parties thereto may expressly agree;

23 (7) Interest charges made on open credit accounts by a person who  
24 sells goods or services on credit when the interest charges do not exceed  
25 one and one-third percent per month for any charges which remain unpaid  
26 for more than thirty days following rendition of the statement of  
27 account;

28 (8) A minimum charge of ten dollars per loan which may be charged by  
29 the lender in lieu of all interest charges;

30 (9) Loans described in subsection (4) of section 8-319 made by a  
31 state or federal savings and loan association at a rate not to exceed

1 nineteen percent per annum;

2 (10) Loans made primarily for business or agricultural purposes or  
3 secured by real property when such loans are made (a) by a licensee,  
4 registrant, or permittee operating under a license, registration, or  
5 permit duly issued by the Department of Banking and Finance except for  
6 licensees operating under the Nebraska Installment Loan and Sales Act,  
7 (b) by any financial institution insured by the Federal Deposit Insurance  
8 Corporation or the National Credit Union Administration, or (c) by any  
9 insurance company organized under the laws of this state and subject to  
10 regulation by the Department of Insurance;

11 (11) Loans secured solely by real property when such loans are (a)  
12 made by licensees operating under the Nebraska Installment Loan and Sales  
13 Act and (b) made to finance or refinance the purchase of the property or  
14 construction on or improvements to the property, if the Department of  
15 Banking and Finance has the authority to examine such loans for  
16 compliance with sections 45-101.02 and 45-101.03. A licensee making a  
17 loan pursuant to this subdivision may obtain an interest in any fixtures  
18 attached to such real property and any insurance proceeds payable in  
19 connection with such real property or the loan;

20 (12) Loans secured by a reverse mortgage pursuant to section  
21 45-702.01;

22 (13) Interest charges made on any goods or services sold under an  
23 installment contract pursuant to the Nebraska Installment Loan and Sales  
24 Act. Subject to section 39 of this act ~~45-338~~, it shall be lawful to  
25 contract for and receive any rate of interest on such contract as the  
26 parties may expressly agree to in writing; or

27 (14) Fees which may be charged by a licensee for services pursuant  
28 to the Delayed Deposit Services Licensing Act.

29 **Sec. 7.** Section 45-1,110, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 45-1,110 Sections 45-1,105 to 45-1,110 shall not apply to any

1 licensee operating under the Nebraska Installment Loan and Sales Act.

2 **Sec. 8.** Section 45-334, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 45-334 Sections 45-334 to 45-356 and sections 23 and 31 to 54 of  
5 this act shall be known and may be cited as the Nebraska Installment Loan  
6 and Sales Act.

7 **Sec. 9.** Section 45-335, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 45-335 For purposes of the Nebraska Installment Loan and Sales Act,  
10 unless the context otherwise requires:

11 (1) Applicant means a person applying for a license under the  
12 Nebraska Installment Loan and Sales Act;

13 (2) Basic time price means the cash sale price of the goods or  
14 services which are the subject matter of an installment sales contract  
15 plus the amount included therein, if a separate identified charge is made  
16 therefor and stated in the contract, for insurance, registration,  
17 certificate of title, debt cancellation contract, debt suspension  
18 contract, electronic title and lien services, guaranteed asset protection  
19 waiver, and license fees, filing fees, an origination fee, and fees and  
20 charges prescribed by law which actually are or will be paid to public  
21 officials for determining the existence of or for perfecting, releasing,  
22 or satisfying any security related to the credit transaction or any  
23 charge for nonfiling insurance if such charge does not exceed the amount  
24 of fees and charges prescribed by law which would have been paid to  
25 public officials for filing, perfecting, releasing, and satisfying any  
26 security related to the credit transaction and less the amount of the  
27 buyer's downpayment in money or goods or both;

28 (3) Branch office means any location, other than the main office  
29 location, at which the business of a licensee is to be conducted,  
30 including:

31 (a) Any offices physically located in Nebraska; and

1       (b) Any offices that, while not physically located in this state,  
2 intend to transact business with Nebraska residents;

3       (4) Breach of security of the system means unauthorized acquisition  
4 of data that compromises the security, confidentiality, or integrity of  
5 information;

6       (5) Buyer means a person who buys goods or obtains services from a  
7 seller in an installment sale;

8       (6) Cash price or cash sale price means the price stated in an  
9 installment sales contract for which the seller would have sold or  
10 furnished to the buyer and the buyer would have bought or acquired from  
11 the seller goods or services which are the subject matter of the contract  
12 if such sale had been a sale for cash instead of an installment sale. It  
13 may include the cash price of accessories or services related to the sale  
14 such as delivery, installation, alterations, modifications, and  
15 improvements and may include taxes to the extent imposed on the cash  
16 sale;

17       (7) Consumer means an individual who is a resident of Nebraska and  
18 who seeks to obtain, obtains, or has obtained financial products or  
19 services that are to be used primarily for personal, family, or household  
20 purposes;

21       (8)(a) Control in the case of a corporation means (i) direct or  
22 indirect ownership of or the right to control twenty-five percent or more  
23 of the voting shares of the corporation or (ii) the ability of a person  
24 or group acting in concert to elect a majority of the directors or  
25 otherwise effect a change in policy.

26       (b) Control in the case of any other entity means (i) the power,  
27 directly or indirectly, to direct the management or policies of the  
28 entity, (ii) the contribution of twenty-five percent or more of the  
29 capital of the entity, or (iii) the right to receive, upon dissolution,  
30 twenty-five percent or more of the capital of the entity;

31       (9) Debt cancellation contract means a loan term or contractual

1 arrangement modifying loan terms under which a financial institution or  
2 licensee agrees to cancel all or part of a buyer's obligation to repay an  
3 extension of credit from the financial institution or licensee upon the  
4 occurrence of a specified event. The debt cancellation contract may be  
5 separate from or a part of other loan documents. The term debt  
6 cancellation contract does not include loan payment deferral arrangements  
7 in which the triggering event is the buyer's unilateral election to defer  
8 repayment or the financial institution's or licensee's unilateral  
9 decision to allow a deferral of repayment;

10 (10) Debt suspension contract means a loan term or contractual  
11 arrangement modifying loan terms under which a financial institution or  
12 licensee agrees to suspend all or part of a buyer's obligation to repay  
13 an extension of credit from the financial institution or licensee upon  
14 the occurrence of a specified event. The debt suspension contract may be  
15 separate from or a part of other loan documents. The term debt suspension  
16 contract does not include loan payment deferral arrangements in which the  
17 triggering event is the buyer's unilateral election to defer repayment or  
18 the financial institution's or licensee's unilateral decision to allow a  
19 deferral of repayment;

20 (11) Department means the Department of Banking and Finance;

21 (12) Director means the Director of Banking and Finance;

22 (13) Financial institution has the same meaning as in section  
23 8-101.03;

24 (14) Goods means all personal property, except money or things in  
25 action, and includes goods which, at the time of sale or subsequently,  
26 are so affixed to realty as to become part thereof whether or not  
27 severable therefrom;

28 (15) Guaranteed asset protection waiver means a waiver that is  
29 offered, sold, or provided in accordance with the Guaranteed Asset  
30 Protection Waiver Act;

31 (16) Installment sale means any transaction, whether or not

1 involving the creation or retention of a security interest, in which a  
2 buyer acquires goods or services from a seller pursuant to an agreement  
3 which provides for a time-price differential and under which the buyer  
4 agrees to pay all or part of the time-sale price in one or more  
5 installments and within one hundred forty-five months, except that the  
6 purchase of mobile homes may exceed such one-hundred-forty-five-month  
7 limitation. Installment sale does not include a consumer rental purchase  
8 agreement defined in and regulated by the Consumer Rental Purchase  
9 Agreement Act;

10 (17) Installment sales contract means an agreement entered into in  
11 this state evidencing an installment sale except those otherwise provided  
12 for in separate acts;

13 ~~(1) Goods means all personal property, except money or things in~~  
14 ~~action, and includes goods which, at the time of sale or subsequently,~~  
15 ~~are so affixed to realty as to become part thereof whether or not~~  
16 ~~severable therefrom;~~

17 ~~(2) Services means work, labor, and services of any kind performed~~  
18 ~~in conjunction with an installment sale but does not include services for~~  
19 ~~which the prices charged are required by law to be established and~~  
20 ~~regulated by the government of the United States or any state;~~

21 ~~(3) Buyer means a person who buys goods or obtains services from a~~  
22 ~~seller in an installment sale;~~

23 ~~(4) Seller means a person who sells goods or furnishes services to a~~  
24 ~~buyer under an installment sale;~~

25 ~~(5) Installment sale means any transaction, whether or not involving~~  
26 ~~the creation or retention of a security interest, in which a buyer~~  
27 ~~acquires goods or services from a seller pursuant to an agreement which~~  
28 ~~provides for a time-price differential and under which the buyer agrees~~  
29 ~~to pay all or part of the time-sale price in one or more installments and~~  
30 ~~within one hundred forty-five months, except that installment contracts~~  
31 ~~for the purchase of mobile homes may exceed such one-hundred-forty-five-~~

1 ~~month limitation. Installment sale does not include a consumer rental~~  
2 ~~purchase agreement defined in and regulated by the Consumer Rental~~  
3 ~~Purchase Agreement Act;~~

4 ~~(6) Installment contract means an agreement entered into in this~~  
5 ~~state evidencing an installment sale except those otherwise provided for~~  
6 ~~in separate acts;~~

7 ~~(7) Cash price or cash sale price means the price stated in an~~  
8 ~~installment contract for which the seller would have sold or furnished to~~  
9 ~~the buyer and the buyer would have bought or acquired from the seller~~  
10 ~~goods or services which are the subject matter of the contract if such~~  
11 ~~sale had been a sale for cash instead of an installment sale. It may~~  
12 ~~include the cash price of accessories or services related to the sale~~  
13 ~~such as delivery, installation, alterations, modifications, and~~  
14 ~~improvements and may include taxes to the extent imposed on the cash~~  
15 ~~sale;~~

16 ~~(8) Basic time price means the cash sale price of the goods or~~  
17 ~~services which are the subject matter of an installment contract plus the~~  
18 ~~amount included therein, if a separate identified charge is made therefor~~  
19 ~~and stated in the contract, for insurance, registration, certificate of~~  
20 ~~title, debt cancellation contract, debt suspension contract, electronic~~  
21 ~~title and lien services, guaranteed asset protection waiver, and license~~  
22 ~~fees, filing fees, an origination fee, and fees and charges prescribed by~~  
23 ~~law which actually are or will be paid to public officials for~~  
24 ~~determining the existence of or for perfecting, releasing, or satisfying~~  
25 ~~any security related to the credit transaction or any charge for~~  
26 ~~nonfiling insurance if such charge does not exceed the amount of fees and~~  
27 ~~charges prescribed by law which would have been paid to public officials~~  
28 ~~for filing, perfecting, releasing, and satisfying any security related to~~  
29 ~~the credit transaction and less the amount of the buyer's downpayment in~~  
30 ~~money or goods or both;~~

31 ~~(9) Time-price differential, however denominated or expressed, means~~

1 ~~the amount, as limited in the Nebraska Installment Sales Act, to be added~~  
2 ~~to the basic time price;~~

3 ~~(10) Time-sale price means the total of the basic time price of the~~  
4 ~~goods or services, the amount of the buyer's downpayment in money or~~  
5 ~~goods or both, and the time-price differential;~~

6 ~~(11) Sales finance company means a person purchasing one or more~~  
7 ~~installment contracts from one or more sellers or acquiring any rights of~~  
8 ~~ownership, servicing, or other forms of participation in or otherwise~~  
9 ~~engaging with a consumer on behalf of the purchaser of one or more~~  
10 ~~installment sales contracts from one or more sellers. Sales finance~~  
11 ~~company includes, but is not limited to, a financial institution or~~  
12 ~~installment loan licensee, if so engaged;~~

13 ~~(12) Department means the Department of Banking and Finance;~~

14 ~~(13) Director means the Director of Banking and Finance;~~

15 ~~(14) Financial institution has the same meaning as in section~~  
16 ~~8-101.03;~~

17 ~~(15) Debt cancellation contract means a loan term or contractual~~  
18 ~~arrangement modifying loan terms under which a financial institution or~~  
19 ~~licensee agrees to cancel all or part of a buyer's obligation to repay an~~  
20 ~~extension of credit from the financial institution or licensee upon the~~  
21 ~~occurrence of a specified event. The debt cancellation contract may be~~  
22 ~~separate from or a part of other loan documents. The term debt~~  
23 ~~cancellation contract does not include loan payment deferral arrangements~~  
24 ~~in which the triggering event is the buyer's unilateral election to defer~~  
25 ~~repayment or the financial institution's or licensee's unilateral~~  
26 ~~decision to allow a deferral of repayment;~~

27 ~~(16) Debt suspension contract means a loan term or contractual~~  
28 ~~arrangement modifying loan terms under which a financial institution or~~  
29 ~~licensee agrees to suspend all or part of a buyer's obligation to repay~~  
30 ~~an extension of credit from the financial institution or licensee upon~~  
31 ~~the occurrence of a specified event. The debt suspension contract may be~~



1 ~~separate from or a part of other loan documents. The term debt suspension~~  
2 ~~contract does not include loan payment deferral arrangements in which the~~  
3 ~~triggering event is the buyer's unilateral election to defer repayment or~~  
4 ~~the financial institution's or licensee's unilateral decision to allow a~~  
5 ~~deferral of repayment;~~

6 ~~(17) Guaranteed asset protection waiver means a waiver that is~~  
7 ~~offered, sold, or provided in accordance with the Guaranteed Asset~~  
8 ~~Protection Waiver Act;~~

9 (18) Licensee means any person who obtains a license under the  
10 Nebraska Installment Loan and Sales Act;

11 (19) Loan or installment loan means a loan or any extension of  
12 credit to a consumer originated or made with an interest rate greater  
13 than the maximum interest rate allowed under section 45-101.03, a minimum  
14 loan term of six months, and a principal balance of less than twenty-five  
15 thousand dollars;

16 (20) Mortgage loan originator has the same meaning as in section  
17 45-702;

18 ~~(19) Person means individual, partnership, limited liability~~  
19 ~~company, association, financial institution, trust, corporation, and any~~  
20 ~~other legal entity;~~

21 ~~(20) Breach of security of the system means unauthorized acquisition~~  
22 ~~of data that compromises the security, confidentiality, or integrity of~~  
23 ~~the information maintained by the Nationwide Mortgage Licensing System~~  
24 ~~and Registry, its affiliates, or its subsidiaries;~~

25 (21) Nationwide Mortgage Licensing System and Registry means a  
26 licensing system, also known as the Nationwide Multistate Licensing  
27 System and Registry, developed and maintained by the Conference of State  
28 Bank Supervisors and the American Association of Residential Mortgage  
29 Regulators for the licensing and registration of mortgage loan  
30 originators, mortgage bankers, installment loan companies, and other  
31 state-regulated financial services entities and industries;

1       (22) Person means individual, partnership, limited liability  
2 company, association, financial institution, trust, corporation, or any  
3 other legal entity;

4       (23) Real property means an owner-occupied single-family, two-  
5 family, three-family, or four-family dwelling which is located in this  
6 state, which is occupied, used, or intended to be occupied or used for  
7 residential purposes, and which is, or is intended to be, permanently  
8 affixed to the land;

9       (24) Sales finance company means a person purchasing one or more  
10 installment sales contracts from one or more sellers or acquiring any  
11 rights of ownership, servicing, or other forms of participation in or  
12 otherwise engaging with a consumer on behalf of the purchaser of one or  
13 more installment sales contracts from one or more sellers. Sales finance  
14 company includes, but is not limited to, a financial institution or  
15 installment loan licensee, if so engaged;

16       (25) Seller means a person who sells goods or furnishes services to  
17 a buyer under an installment sale;

18       (26) Services means work, labor, and services of any kind performed  
19 in conjunction with an installment sale but does not include services for  
20 which the prices charged are required by law to be established and  
21 regulated by the government of the United States or any state;

22       (27) Time-price differential, however denominated or expressed,  
23 means the amount, as limited in the Nebraska Installment Loan and Sales  
24 Act, to be added to the basic time price; and

25       (28) Time-sale price means the total of the basic time price of the  
26 goods or services, the amount of the buyer's downpayment in money or  
27 goods or both, and the time-price differential.

28       ~~(22)(a) Control in the case of a corporation means (i) direct or~~  
29 ~~indirect ownership of or the right to control twenty-five percent or more~~  
30 ~~of the voting shares of the corporation or (ii) the ability of a person~~  
31 ~~or group acting in concert to elect a majority of the directors or~~

1 ~~otherwise effect a change in policy.~~

2 ~~(b) Control in the case of any other entity means (i) the power,~~  
3 ~~directly or indirectly, to direct the management or policies of the~~  
4 ~~entity, (ii) the contribution of twenty-five percent or more of the~~  
5 ~~capital of the entity, or (iii) the right to receive, upon dissolution,~~  
6 ~~twenty-five percent or more of the capital of the entity; and~~

7 ~~(23) Branch office means any location, other than the main office~~  
8 ~~location, at which the business of a licensee is to be conducted,~~  
9 ~~including (a) any offices physically located in Nebraska, and (b) any~~  
10 ~~offices that, while not physically located in this state, intend to~~  
11 ~~transact business with Nebraska residents.~~

12 **Sec. 10.** Section 45-336, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 45-336 (1) An installment loan license shall be required for:

15 (a) Any person engaging in the business of making loans;

16 (b) Any person that holds or acquires any rights of ownership,  
17 servicing, or other forms of participation in a loan or that engages  
18 with, or conducts loan activity with, an installment loan borrower in  
19 connection with a loan; or

20 (c) Any person that is not a financial institution who, at or after  
21 the time a loan is made by a financial institution, markets, owns in  
22 whole or in part, holds, acquires, services, or otherwise participates in  
23 a loan.

24 (2) Any person may, after procuring an installment loan license from  
25 the department, engage or continue in the business of making loans of  
26 money and charge, contract for, and receive the maximum for interest and  
27 other charges in accordance with the authorization and requirements of  
28 the Nebraska Installment Loan and Sales Act.

29 (3) An installment loan license shall not be required for:

30 (a)(i) A financial institution.

31 (ii) While no financial institution is eligible for an installment

1 loan license or to make loans under the Nebraska Installment Loan and  
2 Sales Act, an installment loan license shall be required for any person  
3 that is not a financial institution who, at or after the time a loan is  
4 made by a financial institution, markets, owns in whole or in part,  
5 holds, acquires, services, or otherwise participates in such loan;

6 (b)(i) An affiliate of an installment loan licensee if the  
7 activities of the affiliate in this state are limited solely to the  
8 securitization of loans made by the licensee and the servicing rights to  
9 the loans are retained by the licensee or assigned or otherwise  
10 transferred to a financial institution, licensee, or permittee.

11 (ii) For purposes of subsection (b) of this section:

12 (A) Affiliate means an entity that controls, is controlled by, or is  
13 under common control with another entity;

14 (B) Control means to own directly or indirectly or to control in any  
15 manner twenty-five percent of the voting shares of an entity or to  
16 control in any manner the election of the majority of directors of any  
17 entity; and

18 (C) Securitization means the placing of individual installment loans  
19 made by licensees into a commingled or pooled security that is  
20 subsequently sold or otherwise transferred to another entity.

21 (iii) Nothing in this subsection shall be construed to exempt a  
22 licensee or affiliate from the Securities Act of Nebraska; and

23 (c) Any person, who is not an installment loan licensee, that only  
24 makes loans that do not exceed the maximum rate of interest permitted by  
25 section 45-101.03.

26 (4) An installment sales license shall be required by any person who  
27 acts as a sales finance company in this state, whether or not such person  
28 maintains an office, place of doing business, or agent in this state.

29 (5) An installment sales license shall not be required for:

30 (a) A financial institution or an installment loan licensee;

31 (b) A seller who does not otherwise act as a sales finance company,

1 but such seller shall comply with all of the other provisions of the  
2 Nebraska Installment Loan and Sales Act in order to charge the time price  
3 differential allowed by section 39 of this act; or

4 (c) Persons that negotiate and enter into installment sales  
5 contracts by United States mail without personal solicitation by  
6 salespersons or other representatives of the seller and based upon the  
7 catalog of the seller or other printed solicitation of business, which is  
8 distributed and made available generally to the public, if such catalog  
9 or other printed solicitation clearly sets forth the cash and time-sale  
10 prices and other terms of sales to be made through such medium. All  
11 provisions of the Nebraska Installment Loan and Sales Act shall apply to  
12 such sales, except that the seller shall not be required to deliver a  
13 copy of the contract to the buyer pursuant to section 38 of this act and  
14 if the contract when received by the seller contains any blank spaces,  
15 the seller may insert in the appropriate blank space the amounts of money  
16 and other terms which are set forth in the seller's catalog or other  
17 printed solicitation which is then in effect. In lieu of sending the  
18 buyer a copy of the contract pursuant to section 38 of this act, the  
19 seller shall furnish to the buyer a written statement of any items  
20 inserted in the blank spaces in the contract received from the buyer.

21 ~~(1) Each retail installment contract shall be in writing, shall be~~  
22 ~~signed by both the buyer and the seller, and shall contain the following~~  
23 ~~items and a copy thereof shall be delivered to the buyer at the time the~~  
24 ~~instrument is signed, except for contracts made in conformance with~~  
25 ~~section 45-340: (a) The cash sale price; (b) the amount of the buyer's~~  
26 ~~downpayment, and whether made in money or goods, or partly in money and~~  
27 ~~partly in goods, including a brief description of any goods traded in;~~  
28 ~~(c) the difference between subdivisions (a) and (b) of this subsection;~~  
29 ~~(d) the amount included for insurance if a separate charge is made~~  
30 ~~therefor, specifying the types of coverages; (e) the amount included for~~  
31 ~~a debt cancellation contract or a debt suspension contract if the debt~~

1 ~~cancellation contract or debt suspension contract is a contract of a~~  
2 ~~financial institution or licensee, such contract is sold directly by such~~  
3 ~~financial institution or licensee or by an unaffiliated, nonexclusive~~  
4 ~~agent of such financial institution or licensee in accordance with 12~~  
5 ~~C.F.R. part 37, as such part existed on January 1, 2011, and the~~  
6 ~~financial institution or licensee is responsible for the unaffiliated,~~  
7 ~~nonexclusive agent's compliance with such part, and a separate charge is~~  
8 ~~made therefor; (f) the amount included for electronic title and lien~~  
9 ~~services other than fees and charges prescribed by law which actually are~~  
10 ~~or will be paid to public officials for determining the existence of or~~  
11 ~~for perfecting, releasing, or satisfying any security related to the~~  
12 ~~credit transaction; (g) the basic time price, which is the sum of~~  
13 ~~subdivisions (c), (d), (e), and (f) of this subsection; (h) the time-~~  
14 ~~price differential; (i) the amount of the time price balance, which is~~  
15 ~~the sum of subdivisions (g) and (h) of this subsection, payable in~~  
16 ~~installments by the buyer to the seller; (j) the number, amount, and due~~  
17 ~~date or period of each installment; (k) the time sales price; and (l) the~~  
18 ~~amount included for a guaranteed asset protection waiver.~~

19 ~~(2) The contract shall contain substantially the following notice:~~  
20 ~~NOTICE TO THE BUYER. DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF~~  
21 ~~IT CONTAINS BLANK SPACES. YOU ARE ENTITLED TO A COPY OF THE CONTRACT YOU~~  
22 ~~SIGN.~~

23 ~~(3) The items listed in subsection (1) of this section need not be~~  
24 ~~stated in the sequence or order set forth in such subsection. Additional~~  
25 ~~items may be included to explain the computations made in determining the~~  
26 ~~amount to be paid by the buyer. No installment contract shall be signed~~  
27 ~~by the buyer or proffered by seller when it contains blank spaces to be~~  
28 ~~filled in after execution, except that if delivery of the goods or~~  
29 ~~services is not made at the time of the execution of the contract, the~~  
30 ~~identifying numbers or marks of the goods, or similar information, and~~  
31 ~~the due date of the first installment may be inserted in the contract~~

1 ~~after its execution.~~

2 ~~(4) If a seller proffers an installment contract as part of a~~  
3 ~~transaction which delays or cancels, or promises to delay or cancel, the~~  
4 ~~payment of the time-price differential on the contract if the buyer pays~~  
5 ~~the basic time price, cash price, or cash sale price within a certain~~  
6 ~~period of time, the seller shall, in clear and conspicuous writing,~~  
7 ~~either within the installment contract or in a separate document, inform~~  
8 ~~the buyer of the exact date by which the buyer must pay the basic time~~  
9 ~~price, cash price, or cash sale price in order to delay or cancel the~~  
10 ~~payment of the time-price differential. The seller or any subsequent~~  
11 ~~purchaser of the installment contract, including a sales finance company,~~  
12 ~~shall not be allowed to change such date.~~

13 ~~(5) Upon written request from the buyer, the holder of an~~  
14 ~~installment contract shall give or forward to the buyer a written~~  
15 ~~statement of the dates and amounts of payments and the total amount~~  
16 ~~unpaid under such contract. A buyer shall be given a written receipt for~~  
17 ~~any payment when made in cash.~~

18 ~~(6) After payment of all sums for which the buyer is obligated under~~  
19 ~~a contract, the holder shall deliver or mail to the buyer at his or her~~  
20 ~~last known address one or more good and sufficient instruments or copies~~  
21 ~~thereof to acknowledge payment in full and shall release all security in~~  
22 ~~the goods and mark canceled and return to the buyer the original~~  
23 ~~agreement or copy thereof or instruments or copies thereof signed by the~~  
24 ~~buyer. For purposes of this section, a copy shall meet the requirements~~  
25 ~~of section 25-12,112.~~

26 **Sec. 11.** Section 45-337, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 45-337 (1) An application for either an installment loan license or  
29 an installment sales license shall be on a form prescribed and furnished  
30 by the director and shall include, but not be limited to:

31 (a) The applicant's name and any trade name or doing business as

1 designation which the applicant intends to use in this state;

2 (b) The applicant's main office address;

3 (c) All branch office addresses of the applicant at which business  
4 is to be conducted;

5 (d) The names and titles of each director and principal officer of  
6 the applicant;

7 (e) The names of all shareholders, partners, or members of the  
8 applicant;

9 (f) A description of the activities of the applicant in such detail  
10 as the department may require;

11 (g) If the applicant is an individual, such individual's social  
12 security number;

13 (h) Audited financial statements of the applicant showing a minimum  
14 net worth of one hundred thousand dollars;

15 (i) Background checks of the applicant as provided in section 47 of  
16 this act; and

17 (j) A surety bond as provided in section 45-338.

18 (2) All applications for licenses must be accompanied by any  
19 processing fee allowed for by section 47 of this act, any application and  
20 processing fees for associated branch applications pursuant to section  
21 45-339, and a filing fee of:

22 (a) One hundred fifty dollars for an installment sales license; and

23 (b) Five hundred dollars for an installment loan license.

24 (3) The director shall, after an application has been filed for a  
25 license under the Nebraska Installment Loan and Sales Act, investigate  
26 the applicant to determine whether all requirements for licensure have  
27 been met and to determine if a finding can be made that the experience,  
28 character, and general fitness of the applicant, of the members thereof  
29 if the applicant is a corporation or association, and of the officers and  
30 directors thereof if the applicant is a corporation, are such as to  
31 warrant belief that the business will be operated honestly, fairly, and



1 efficiently within the purposes of the Nebraska Installment Loan and  
2 Sales Act.

3 (4) The director may, within the director's discretion, make an  
4 examination and inspection concerning the propriety of the issuance of a  
5 license to any applicant. The cost of such examination and inspection  
6 shall be borne by the applicant.

7 (5) If all requirements to obtain a license under the Nebraska  
8 Installment Loan and Sales Act are met and a finding can be made that the  
9 experience, character, and general fitness of the applicant, of the  
10 members thereof if the applicant is a corporation or association, and of  
11 the officers and directors thereof if the applicant is a corporation, are  
12 such as to warrant belief that the business will be operated honestly,  
13 fairly, and efficiently within the purpose of the Nebraska Installment  
14 Loan and Sales Act, the director shall issue and deliver a license to the  
15 applicant to do business in accordance with the license and the Nebraska  
16 Installment Loan and Sales Act. The director shall have the power to deny  
17 for cause any application for a license.

18 (6) The department shall approve or deny every application for a  
19 license under the Nebraska Installment Loan and Sales Act within ninety  
20 days after the filing of an application, if the application is  
21 substantially complete and is accompanied by the required fees and the  
22 approved bond.

23 (7) A license issued under the Nebraska Installment Loan and Sales  
24 Act is nontransferable and nonassignable.

25 (8) An initial license shall remain in full force and effect until  
26 the next succeeding December 31. Each license shall remain in force until  
27 revoked, suspended, canceled, expired, or surrendered.

28 (9) If an applicant for a license under the Nebraska Installment  
29 Loan and Sales Act does not complete the license application and fails to  
30 respond to a notice or notices from the department to correct the  
31 deficiency or deficiencies for a period of one hundred twenty days or

1 more after the date the department sends the initial notice to correct  
2 the deficiency or deficiencies, the department may deem the application  
3 as abandoned and may issue a notice of abandonment of the application to  
4 the applicant in lieu of proceedings to deny the application.

5 (10) Obtaining a license constitutes sufficient contact with this  
6 state for the exercise of personal jurisdiction over the licensee in any  
7 action arising out of the licensee's activity in this state.

8 ~~(1) The amount, if any, included for insurance, which may be~~  
9 ~~purchased by the holder of the contract, shall not exceed the applicable~~  
10 ~~premium rates chargeable in accordance with filings, if any, with the~~  
11 ~~Department of Insurance. If dual interest insurance on the goods is~~  
12 ~~purchased by the holder it shall, within thirty days after execution of~~  
13 ~~the installment contract, send or cause to be sent to the buyer a policy~~  
14 ~~or policies or certificate of insurance, written by an insurance company~~  
15 ~~authorized to do business in this state, clearly setting forth the amount~~  
16 ~~of the premium, the kind or kinds of insurance, the coverages, and all~~  
17 ~~the terms and conditions of the contract or contracts of insurance.~~

18 ~~(2) If any insurance is canceled or the premium adjusted during the~~  
19 ~~term of the installment contract, any refund of the insurance premium~~  
20 ~~plus the unearned time price differential thereon received by the holder~~  
21 ~~shall be credited by the holder to the last maturing installment of the~~  
22 ~~contract except to the extent applied toward payment for similar~~  
23 ~~insurance protecting the interests of the buyer and the holder or either~~  
24 ~~of them.~~

25 ~~(3) If any insurance is canceled due to the payment of all sums for~~  
26 ~~which the buyer is liable under an installment contract, the holder of~~  
27 ~~the installment contract shall, upon receipt of payment of all sums due,~~  
28 ~~send notice to the buyer within fifteen business days of the name,~~  
29 ~~address, and telephone number of the insurance company which issued the~~  
30 ~~insurance contract or the party responsible for any refund, and notice~~  
31 ~~that the buyer may be eligible for a refund. A copy of such notice shall~~

1 ~~be retained by the holder of the installment contract. This subsection~~  
2 ~~does not apply if the holder of the loan contract previously credited the~~  
3 ~~refund of the insurance premium to the loan contract or otherwise~~  
4 ~~refunded the insurance premium to the buyer.~~

5 ~~(4) The holder may also purchase nonfiling insurance and charge a~~  
6 ~~reasonable fee. The fee shall not exceed the amount of fees and charges~~  
7 ~~prescribed by law which would have been paid to public officials for~~  
8 ~~filing, perfecting, releasing, and satisfying any lien or security~~  
9 ~~interest in the goods or services.~~

10 **Sec. 12.** Section 45-338, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 45-338 (1) An applicant for a license to be issued pursuant to the  
13 Nebraska Installment Loan and Sales Act shall file with the department a  
14 surety bond in the amount of fifty thousand dollars, furnished by a  
15 surety company authorized to do business in this state. Such bond shall  
16 be increased by an additional fifty thousand dollars for each branch  
17 location of the applicant that is licensed under the Nebraska Installment  
18 Loan and Sales Act. The bond shall be for the use of the State of  
19 Nebraska and any Nebraska resident who may have claims or causes of  
20 action against the applicant. The surety may cancel the bond only upon  
21 thirty days' prior written notice to the director.

22 (2)(a) Except as provided in subsection (3) of this section, an  
23 installment loan licensee who employs or enters into an independent agent  
24 agreement with an individual required to obtain a mortgage loan  
25 originator license pursuant to the Residential Mortgage Licensing Act  
26 shall maintain the surety bond required by subsection (1) of this section  
27 and a supplemental surety bond. The supplemental surety bond posted by  
28 such installment loan licensee shall cover all mortgage loan originators  
29 who are employees or independent agents of such licensee. The  
30 supplemental surety bond shall be for the use of the State of Nebraska  
31 and any Nebraska resident who may have claims or causes of action against

1 such licensee arising from a transaction involving a residential mortgage  
2 loan, as defined in section 45-702, or against an individual who is a  
3 mortgage loan originator employed by, or in an independent agent  
4 relationship with, the licensee. The initial amount of the supplemental  
5 surety bond shall be one hundred thousand dollars.

6 (b) Upon filing of the mortgage report of condition required by  
7 section 45-345, a licensee shall maintain or increase its supplemental  
8 surety bond to reflect the total dollar amount of the closed residential  
9 mortgage loans originated or serviced in this state in the preceding year  
10 in accordance with the following table. A licensee may decrease its  
11 supplemental surety bond in accordance with the following table if the  
12 supplemental surety bond required is less than the amount of the  
13 supplemental surety bond on file with the department:

14 <u>Dollar Amount of Closed or Serviced</u>	<u>Surety Bond Required</u>
15 <u>Residential Mortgage Loans</u>	
16 <u>\$0.00 through \$5,000,000.00</u>	<u>100,000</u>
17 <u>\$5,000,000.01 through \$10,000,000.00</u>	<u>125,000</u>
18 <u>\$10,000,000.01 through \$25,000,000.00</u>	<u>150,000</u>
19 <u>\$25,000,000.01 and over</u>	<u>200,000</u>

20 (3)(a) A person who employs or enters into an independent agent  
21 agreement with an individual required to obtain a mortgage loan  
22 originator license pursuant to the Residential Mortgage Licensing Act  
23 shall maintain a surety bond for each license that he, she, or it holds  
24 as required in subsection (1) of this section and shall also post one  
25 supplemental surety bond which shall cover all licenses held by such  
26 person. The supplemental surety bond posted by such person shall cover  
27 all mortgage loan originators who are employees or independent agents of  
28 such person. The supplemental surety bond shall be for the use of the  
29 State of Nebraska and any Nebraska resident who may have claims or causes  
30 of action against such person arising from a transaction involving a  
31 residential mortgage loan or against an individual who is a mortgage loan

1 originator employed by, or in an independent agent relationship with, the  
2 person. The amount of such supplemental surety bond shall be as follows:

3 (i) The initial supplemental surety bond shall be in the amount of  
4 one hundred thousand dollars; and

5 (ii) Upon filing of the mortgage report of condition required by  
6 section 45-345, the person's supplemental surety bond shall be maintained  
7 in accordance with subdivision (2)(b) of this section. For purposes of  
8 calculating the amount of the bond that is required, the total dollar  
9 amount of the closed loans shall include all residential mortgage loans  
10 in this state closed by the person.

11 (b) A person who holds one or more installment loan licenses  
12 pursuant to the Nebraska Installment Loan and Sales Act and a mortgage  
13 banker license pursuant to the Residential Mortgage Licensing Act shall  
14 not be required to post and maintain a supplemental surety bond if such  
15 person meets the following conditions:

16 (i) The person maintains a surety bond as provided in subsection (1)  
17 of this section for each installment loan license the person holds;

18 (ii) The person maintains a mortgage banker surety bond as provided  
19 in section 45-724; and

20 (iii) The mortgage banker surety bond covers all transactions  
21 involving residential mortgage loans, including such transactions done  
22 pursuant to the person's installment loan license or licenses.

23 (4) Should the department determine that an installment loan  
24 licensee does not maintain a supplemental surety bond in the amount  
25 required by subsection (2) or (3) of this section, the department shall  
26 give written notification to the licensee requiring the licensee to  
27 increase the surety bond within thirty days to the amount required by  
28 subsection (2) or (3) of this section.

29 (5) The bond or a substitute bond required by subsection (1) of this  
30 section, applicable to all licensees under the Nebraska Installment Loan  
31 and Sales Act, shall remain in effect or the licensee shall immediately

1 cease conducting licensable activity. If a licensee fails to maintain a  
2 surety bond as required under this section, the department may issue a  
3 notice of cancellation of the license in lieu of revocation proceedings.

4 ~~(1)(a) Notwithstanding the provisions of any other law, the time-~~  
5 ~~price differential for any goods or services sold under an installment~~  
6 ~~contract shall be stated as a fixed or variable annual percentage rate~~  
7 ~~and shall be at a rate agreed to in writing, not to exceed eighteen~~  
8 ~~percent per annum, except that a minimum time-price differential of ten~~  
9 ~~dollars may be charged on any installment contract.~~

10 ~~(b)(i) A buyer may be required, upon the execution of the~~  
11 ~~installment contract, to pay an origination fee of not to exceed ten~~  
12 ~~dollars, except that if the installment contract is for an installment~~  
13 ~~sale of agricultural machinery or equipment for use in commercial~~  
14 ~~agriculture or if the installment contract is for an installment sale of~~  
15 ~~industrial machinery or equipment the buyer may be required to pay (A) an~~  
16 ~~origination fee of not to exceed one hundred dollars if the cash sale~~  
17 ~~price is less than twenty-five thousand dollars or (B) an origination fee~~  
18 ~~of not to exceed two hundred fifty dollars if the cash sale price is~~  
19 ~~twenty-five thousand dollars or more.~~

20 ~~(ii) The origination fee shall be refundable if the installment~~  
21 ~~contract is canceled during the first thirty days. The origination fee~~  
22 ~~may be collected from the buyer or included in the principal balance of~~  
23 ~~the installment contract at the time the contract is made and shall not~~  
24 ~~be considered interest or a time-price differential.~~

25 ~~(c) Nothing in the Nebraska Installment Sales Act prohibits a seller~~  
26 ~~or holder of an installment contract from contracting for, computing, and~~  
27 ~~charging a time-price differential based upon the application of the rate~~  
28 ~~charged to the unpaid principal balance for the number of days actually~~  
29 ~~elapsed. The charges so computed shall be used for the purpose of~~  
30 ~~calculating the time-price differential, the time-price balance, the~~  
31 ~~amount of each installment, and the time-sale price.~~

1       ~~(d) When the installment contract is payable in substantially equal~~  
2 ~~and consecutive monthly installments, the time price differential shall~~  
3 ~~be computed on the basic time price of each contract, as determined under~~  
4 ~~the provisions of section 45-336, from the date of the contract until the~~  
5 ~~due date of the final installment, notwithstanding that the time price~~  
6 ~~balance is required to be paid in installments.~~

7       ~~(2) When an installment contract provides for payment other than in~~  
8 ~~substantially equal and consecutive monthly installments, the time price~~  
9 ~~differential may be at a rate which will provide the same return as is~~  
10 ~~permitted on substantially equal monthly payment contracts under~~  
11 ~~subdivision (1)(d) of this section, having due regard for the schedule of~~  
12 ~~payments.~~

13       ~~(3) Every contract payable in two or more installments shall provide~~  
14 ~~for payment of such installments by stating the date and amount of each~~  
15 ~~installment or the method by which any variable rate or installment shall~~  
16 ~~be determined.~~

17       **Sec. 13.** Section 45-339, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19       45-339 (1) Licensees under the Nebraska Installment Loan and Sales  
20 Act may apply to establish branch offices, whether in this state, or in  
21 another state or United States territory, at which the licensable  
22 business activities of the licensee may be conducted.

23       (2) Such application shall be on a form prescribed and furnished by  
24 the director and shall be accompanied by a branch application fee, along  
25 with any processing fee allowed for by section 47 of this act. Such  
26 branch application fees shall be:

27       (a) Two hundred fifty dollars for an installment loan branch  
28 license; and

29       (b) One hundred dollars for an installment sales branch license.

30       ~~Where a buyer makes any subsequent purchases of goods or services~~  
31 ~~from a seller from whom he has previously purchased goods or services~~

1 ~~under one or more installment contracts and the amounts under such~~  
2 ~~contract or contracts to the extent of cash sale price thereof have not~~  
3 ~~been fully paid the subsequent purchases may be included in and~~  
4 ~~consolidated with one or more of the prior contract or contracts. A~~  
5 ~~memorandum of such additional purchases shall be prepared by the seller~~  
6 ~~and inserted in or attached to the seller's counterpart of the contract~~  
7 ~~and shall set forth:~~

8 ~~(1) The names of the seller and the buyer and a description of the~~  
9 ~~additional goods or services sold and all the information with respect to~~  
10 ~~the additional purchase required by section 45-336 to be included in an~~  
11 ~~installment contract;~~

12 ~~(2) The consolidated time-price balance to be paid by the buyer; and~~

13 ~~(3) The revised payments.~~

14 ~~A copy of such memorandum shall be delivered to the buyer as~~  
15 ~~provided in and subject to the provisions of section 45-336. When such~~  
16 ~~subsequent purchases are made, the entire amount of all payments made~~  
17 ~~prior to such subsequent purchases shall be deemed to have been applied~~  
18 ~~on previous purchases.~~

19 ~~Each payment thereafter made on a consolidated installment contract~~  
20 ~~shall be deemed to be allocated to all of the various purchases in the~~  
21 ~~same ratio or proportion as the original cash sale prices of the various~~  
22 ~~purchases bear to one another. Where the amount of each deferred payment~~  
23 ~~is increased in connection with such subsequent purchase, the subsequent~~  
24 ~~payments, at the seller's option, may be deemed to be allocated as~~  
25 ~~follows: An amount equal to the original installment payment to the~~  
26 ~~previous purchase, the balance to the subsequent purchase. The amount of~~  
27 ~~any initial payment or downpayment on the subsequent purchase shall be~~  
28 ~~allocated in its entirety to such subsequent purchase. The provisions of~~  
29 ~~this section shall not apply to cases involving equipment, parts, or to~~  
30 ~~other merchandise attached or affixed to goods previously purchased, or~~  
31 ~~to repairs or services in connection therewith rendered by the seller at~~



1 ~~the buyer's request.~~

2 **Sec. 14.** Section 45-340, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 45-340 (1) For the annual renewal of an original license under the  
5 Nebraska Installment Loan and Sales Act, the licensee shall file a  
6 renewal application containing such information as the director may  
7 require to indicate any material change in the information contained in  
8 the original application or succeeding renewal applications, along with a  
9 renewal fee and any processing fee allowed for by section 47 of this act.

10 (2) The renewal fee shall be:

11 (a) Two hundred fifty dollars for an installment loan license;

12 (b) One hundred twenty-five dollars for an installment loan branch  
13 license;

14 (c) One hundred fifty dollars for an installment sales license; and

15 (d) One hundred dollars for an installment sales branch license.

16 (3) If a licensee fails to renew such licensee's license and does  
17 not voluntarily surrender the license pursuant to this section, the  
18 department may issue a notice of expiration of the license to the  
19 licensee in lieu of revocation proceedings.

20 (4) Renewal of a license originally granted under the Nebraska  
21 Installment Loan and Sales Act may be denied by the director on the  
22 following grounds:

23 (a) Material misstatement in the application for a license;

24 (b) Willful failure to comply with any provision of the Nebraska  
25 Installment Loan and Sales Act relating to installment sales contracts or  
26 installment loans;

27 (c) Failure to continue to meet the conditions under which the  
28 original license was granted;

29 (d) Defrauding any buyer to the buyer's damage; or

30 (e) Fraudulent misrepresentation, circumvention, or concealment by  
31 the licensee through whatever subterfuge or device of any of the material

1 particulars or the nature thereof required to be stated or furnished to a  
2 consumer.

3 (5) Any person, licensee, or applicant potentially aggrieved by an  
4 order of the director entered under this section may appeal the order.  
5 The appeal shall be in accordance with the Administrative Procedure Act.

6 ~~Installment contracts negotiated and entered into by mail without~~  
7 ~~personal solicitation by salespersons or other representatives of the~~  
8 ~~seller and based upon the catalog of the seller or other printed~~  
9 ~~solicitation of business, which is distributed and made available~~  
10 ~~generally to the public, if such catalog or other printed solicitation~~  
11 ~~clearly sets forth the cash and time sale prices and other terms of sales~~  
12 ~~to be made through such medium, may be made as provided in this section.~~  
13 ~~All provisions of the Nebraska Installment Sales Act shall apply to such~~  
14 ~~sales except that the seller shall not be required to deliver a copy of~~  
15 ~~the contract to the buyer as provided in section 45-336 and if the~~  
16 ~~contract when received by the seller contains any blank spaces the seller~~  
17 ~~may insert in the appropriate blank space the amounts of money and other~~  
18 ~~terms which are set forth in the seller's catalog or other printed~~  
19 ~~solicitation which is then in effect. In lieu of sending the buyer a copy~~  
20 ~~of the contract as provided in section 45-336, the seller shall furnish~~  
21 ~~to the buyer a written statement of any items inserted in the blank~~  
22 ~~spaces in the contract received from the buyer.~~

23 **Sec. 15.** Section 45-341, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 45-341 (1) A licensee may voluntarily surrender a license at any  
26 time by delivering to the director written notice of the surrender. The  
27 department shall cancel the license following such surrender.

28 (2) The director may, following a hearing under the Administrative  
29 Procedure Act and the rules and regulations adopted and promulgated by  
30 the department under the Nebraska Installment Loan and Sales Act, suspend  
31 or revoke any license issued pursuant to the Nebraska Installment Loan

1 and Sales Act. The director may also impose an administrative fine on the  
2 licensee for each separate violation of the Nebraska Installment Loan and  
3 Sales Act. The department shall remit fines collected under this  
4 subsection to the State Treasurer for distribution in accordance with  
5 Article VII, section 5, of the Constitution of Nebraska. The director may  
6 suspend or revoke a license or fine a licensee under this subsection if  
7 the director finds:

8 (a) The licensee has materially violated or demonstrated a  
9 continuing pattern of violating the Nebraska Installment Loan and Sales  
10 Act, rules and regulations adopted and promulgated under the Nebraska  
11 Installment Loan and Sales Act, any order issued under the Nebraska  
12 Installment Loan and Sales Act, or any other state or federal law  
13 applicable to the conduct of the licensee's business;

14 (b) A fact or condition exists which if such fact or condition had  
15 existed at the time of the original application for the license, would  
16 have warranted the director to deny the license application of the  
17 licensee;

18 (c) The licensee has violated a voluntary consent or compliance  
19 agreement which had been entered into with the director;

20 (d) The licensee has knowingly provided or caused to be provided to  
21 the director any false or fraudulent representation of a material fact or  
22 any false or fraudulent financial statement or suppressed or withheld  
23 from the director any information which, if submitted by the licensee,  
24 would have resulted in denial of the license application of the licensee;

25 (e) The licensee has refused to permit an examination of the  
26 licensee by the director or failed to comply with a notice of  
27 investigation or inquiry pursuant to section 45-346 or failed to make any  
28 report required under section 45-345. Each day the licensee continues in  
29 violation of this subdivision constitutes a separate violation;

30 (f) The licensee has failed to maintain records as required by the  
31 director following written notice. Each day the licensee continues in

1 violation of this subdivision constitutes a separate violation;

2 (g) The licensee knowingly has employed any individual or knowingly  
3 has maintained a contractual relationship with any individual acting as  
4 an agent, if such individual has been convicted of, pleaded guilty to, or  
5 was found guilty after a plea of nolo contendere to:

6 (i) A misdemeanor under any state or federal law which involves  
7 dishonesty or fraud or which involves any aspect of the installment sales  
8 business, installment loan business, mortgage banking business, or  
9 financial institution business; or

10 (ii) Any felony under state or federal law;

11 (h) The licensee has violated the written restrictions or conditions  
12 under which the license was issued;

13 (i) The licensee or, if the licensee is a business entity, one of  
14 the officers, directors, members, partners, or controlling shareholders  
15 was found guilty after a plea of nolo contendere to:

16 (i) A misdemeanor under any state or federal law which involves  
17 dishonesty or fraud or which involves any aspect of the installment sales  
18 business, installment loan business, mortgage banking business, or  
19 financial institution business; or

20 (ii) Any felony under state or federal law; or

21 (j) The licensee knowingly has employed any individual or knowingly  
22 has maintained a contractual relationship with any individual acting as  
23 an agent, if such individual is conducting activities requiring a  
24 mortgage loan originator license in this state without first obtaining  
25 such license.

26 (3) If a licensee is a partnership, limited liability company,  
27 association, or corporation, it shall be sufficient cause for the  
28 suspension or revocation of a license that any officer, director, or  
29 trustee of a licensed association or corporation or any member of a  
30 licensed partnership or limited liability company has so acted or failed  
31 to act as would be cause for suspending or revoking a license to such

1 party as an individual.

2 (4) No license shall be denied, suspended, or revoked except after  
3 hearing in accordance with the Administrative Procedure Act. The director  
4 shall give a licensee at least ten days' written notice, in the form of  
5 an order to show cause, of the time and place of such hearing by either  
6 registered or certified mail addressed to the principal place of business  
7 in this state of such licensee. Such notice shall contain the grounds of  
8 complaint against the licensee. Any order suspending or revoking such  
9 license shall recite the grounds upon which the order is based. The order  
10 shall be entered upon the records of the director and shall not be  
11 effective until after thirty days' written notice thereof given after  
12 such entry forwarded by either registered or certified mail to the  
13 licensee at the principal place of business in this state of such  
14 licensee.

15 (5) Revocation, suspension, cancellation, expiration, or surrender  
16 of any license shall not impair or affect the obligation of any lawful  
17 contract entered into or acquired previously thereto by the licensee.

18 (6) Revocation, suspension, cancellation, expiration, or surrender  
19 of any license shall not affect civil or criminal liability for acts  
20 committed before the revocation, suspension, cancellation, expiration, or  
21 surrender or affect liability for any fines which may be levied against  
22 the licensee or any of the licensee's officers, directors, shareholders,  
23 partners, or members pursuant to the Nebraska Installment Loan and Sales  
24 Act for acts committed before the revocation, suspension, cancellation,  
25 expiration, or surrender of the license.

26 (7) Whenever, for any cause, a license is revoked, the department  
27 shall not issue another license to the licensee unless the department is  
28 otherwise ordered by a court of competent jurisdiction to do so.

29 (8) At the request of the licensee or any other aggrieved person,  
30 the department shall prepare a written record which includes a transcript  
31 of the evidence, the findings with respect to the evidence, the order,

1 and the reasons supporting the suspension, revocation, or denial of a  
2 license, and shall, after being paid for the cost of the written record,  
3 deliver to the licensee or other aggrieved person a copy of the written  
4 record in person or by certified or registered mail.

5 (9) Any person, licensee, or applicant potentially aggrieved by an  
6 order of the director entered under this section may appeal the order.  
7 The appeal shall be in accordance with the Administrative Procedure Act.

8 ~~An installment contract may provide and the holder thereof may~~  
9 ~~collect, in addition to any time-price differential, a delinquency charge~~  
10 ~~on each installment in default for a period of not less than fifteen~~  
11 ~~days, if provided for in the contract, not in excess of five percent of~~  
12 ~~each installment or twenty-five dollars, whichever is less, or, in lieu~~  
13 ~~thereof, interest after maturity on each such installment not exceeding~~  
14 ~~the highest permissible contract rate. If the time-price differential is~~  
15 ~~computed by application of the rate charged to the unpaid principal~~  
16 ~~balance for the number of days actually elapsed, such delinquency charge~~  
17 ~~may not exceed five percent of each installment or twenty-five dollars,~~  
18 ~~whichever is less. If any installment payment is made by a check, draft,~~  
19 ~~or similar signed order which is not honored because of insufficient~~  
20 ~~funds, no account, or any other reason except an error of a third party~~  
21 ~~to the contract, the holder may charge and collect a fee of not more than~~  
22 ~~fifteen dollars. The delinquency charge and such fee may be collected~~  
23 ~~when due or at any time thereafter.~~

24 ~~When an installment contract is for a commercial or business purpose~~  
25 ~~(1) a delinquency charge not to exceed five percent of each unpaid~~  
26 ~~installment may be contracted for and received and (2) the holder of any~~  
27 ~~check or draft or similar order which is not honored for any reason,~~  
28 ~~except for error of a third party, may charge and collect a fee as stated~~  
29 ~~in the contract. As used in this section, commercial or business purpose~~  
30 ~~means primarily for a purpose other than a personal, family, or household~~  
31 ~~purpose.~~

1           **Sec. 16.** Section 45-342, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           45-342 Any person who, by any device, subterfuge, or pretense  
4 whatsoever, engages in or continues any of the kinds of business or  
5 enterprise permitted to licensees by the Nebraska Installment Loan and  
6 Sales Act without having obtained the license required by the act, with  
7 intent to evade the provisions of the act, is guilty of a Class I  
8 misdemeanor.

9           ~~(1) Notwithstanding the provisions of any contract to the contrary,~~  
10 ~~any buyer may prepay in full at any time before maturity the obligation~~  
11 ~~of any contract.~~

12           ~~(2) If such obligation is prepaid in full by cash, a new loan, or~~  
13 ~~otherwise after the first installment due date, the borrower shall~~  
14 ~~receive a rebate of an amount which shall be not less than the amount~~  
15 ~~obtained by applying to the unpaid principal balances as originally~~  
16 ~~scheduled or, if deferred, as deferred, for the period following~~  
17 ~~prepayment, according to the actuarial method, the rate of the time price~~  
18 ~~differential previously stated to the borrower. The licensee may round~~  
19 ~~the rate of the time-price differential to the nearest one-half of one~~  
20 ~~percent if such procedure is not consistently used to obtain a greater~~  
21 ~~yield than would otherwise be permitted. Any default and deferment~~  
22 ~~charges which are due and unpaid may be deducted from any rebate. No~~  
23 ~~rebate shall be required for any partial prepayment. No rebate of less~~  
24 ~~than one dollar need be made. Acceleration of the maturity of the~~  
25 ~~contract shall not in itself require a rebate. If judgment is obtained~~  
26 ~~before the final installment date, the contract balance shall be reduced~~  
27 ~~by the rebate which would be required for prepayment in full as of the~~  
28 ~~date judgment is obtained.~~

29           **Sec. 17.** Section 45-343, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31           45-343 A licensee may move its main office or may relocate a branch

1 office from one location to another without obtaining a new license if  
2 the licensee gives notice thereof to the director through the Nationwide  
3 Mortgage Licensing System and Registry at least thirty days prior to such  
4 move and pays a filing fee of one hundred fifty dollars. The director  
5 may, at the director's discretion, hold a hearing on the relocation  
6 request, in accordance with the Administrative Procedure Act. The expense  
7 of any such hearing shall be paid by the licensee.

8 ~~Any person who violates any provision of the Nebraska Installment~~  
9 ~~Sales Act or acts as a sales finance company in this state without a~~  
10 ~~license therefor as provided in the Nebraska Installment Sales Act shall~~  
11 ~~be guilty of a Class II misdemeanor.~~

12 **Sec. 18.** Section 45-344, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 45-344 (1) No person acting personally or as an agent shall acquire  
15 control of any licensee under the Nebraska Installment Loan and Sales Act  
16 without first (a) giving thirty days' notice to the department on a form  
17 prescribed by the department of such proposed acquisition and (b) paying  
18 a filing fee of one hundred fifty dollars and any processing fee allowed  
19 under subsection (2) of section 47 of this act.

20 (2) The director, upon receipt of such notice, shall approve or deny  
21 the acquisition within thirty days.

22 (3) If the director does not deny the acquisition within such  
23 thirty-day time period, the acquisition shall become effective on the  
24 thirty-first day after the receipt of the notice, except that the  
25 director may extend the thirty-day period an additional thirty days if,  
26 in the director's judgment, any material information submitted is  
27 substantially inaccurate or the acquiring party has not furnished all the  
28 information required by the department.

29 (4) An acquisition may become effective prior to the expiration of  
30 the thirty-day period if the director issues written notice of the  
31 director's approval of such acquisition or the director's intent not to



1 deny the acquisition.

2 (5)(a) The director may deny any proposed acquisition if:

3 (i) The financial condition of any acquiring person is such as might  
4 jeopardize the financial stability of the acquired licensee;

5 (ii) The character and general fitness of any acquiring person or of  
6 any of the proposed management personnel indicate that the acquired  
7 installment sales licensee or installment loan licensee would not be  
8 operated honestly, fairly, or efficiently within the purposes of the  
9 Nebraska Installment Loan and Sales Act; or

10 (iii) Any acquiring person neglects, fails, or refuses to furnish  
11 all information required by the department.

12 (b) The director shall notify the acquiring party in writing of  
13 denial of the acquisition. The notice shall provide a statement of the  
14 basis for the denial.

15 (c) Within fifteen business days after receipt of written notice of  
16 denial, the acquiring party may make a written request for a hearing on  
17 the proposed acquisition in accordance with the Administrative Procedure  
18 Act and rules and regulations adopted and promulgated by the department  
19 under the Nebraska Installment Loan and Sales Act. The director shall, by  
20 order, approve or deny the proposed acquisition on the basis of the  
21 record made at the hearing.

22 ~~If any seller or sales finance company, in the making or collection~~  
23 ~~of an installment contract, shall, directly or indirectly, contract for,~~  
24 ~~take, or receive charges in excess of those authorized by the Nebraska~~  
25 ~~Installment Sales Act except as a result of an accidental and bona fide~~  
26 ~~error such contract shall be void and uncollectible as to (1) all of the~~  
27 ~~excessive portion of the time-price differential, (2) the first one~~  
28 ~~thousand dollars of the time-price differential authorized by section~~  
29 ~~45-338, and (3) the first four thousand dollars of the principal of the~~  
30 ~~contract. If any seller or sales finance company violates any provision~~  
31 ~~of the act, other than the violations described above, except as a result~~

~~1 of an accidental and bona fide error, such installment contract shall be  
2 void and uncollectible as to the first five hundred dollars of the time-  
3 price differential and the first one thousand dollars of the principal of  
4 such contract. If any of such money has been paid by the buyer, such  
5 buyer or his or her assignee may recover under the act in a civil suit  
6 brought within one year after the due date, or any extension thereof, of  
7 the last installment of the contract.~~

8       **Sec. 19.** Section 45-345, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10       45-345 (1) A licensee shall notify the director through the  
11 Nationwide Mortgage Licensing System and Registry at least thirty days  
12 prior to the occurrence of any change of the licensee's name, trade name,  
13 or doing business as designation.

14       (2)(a) Except as provided in subdivisions (b) and (c) of this  
15 subsection, a licensee shall notify the director in writing or through  
16 the Nationwide Mortgage Licensing System and Registry within three  
17 business days from the time that the licensee becomes aware of any breach  
18 of the security of the system of computerized data owned or licensed by  
19 the licensee, which contains personal information about a Nebraska  
20 resident, or the unauthorized access to or use of such information about  
21 a Nebraska resident as a result of the breach.

22       (b) If a licensee would be required under Nebraska law to provide  
23 notification to a Nebraska resident regarding such incident, then the  
24 licensee shall provide a copy of such notification to the department  
25 prior to or simultaneously with the licensee's notification to the  
26 Nebraska resident.

27       (c) Notice required by this subsection may be delayed if a law  
28 enforcement agency determines that the notice will impede a criminal  
29 investigation. Notice shall be made in good faith, without unreasonable  
30 delay, and as soon as possible after the law enforcement agency  
31 determines that notification will no longer impede the investigation.

1       (d) For purposes of this subsection, the terms breach of the  
2 security of the system and personal information have the same meaning as  
3 in section 87-802.

4       (3) A licensee shall maintain the minimum net worth required by  
5 section 45-337 while a license issued to the licensee under the Nebraska  
6 Installment Loan and Sales Act is in effect. The minimum net worth shall  
7 be proven by an annual audit conducted by a certified public accountant.  
8 A licensee shall submit a copy of the annual audit to the director as  
9 required by section 45-337 or upon written request of the director. If a  
10 licensee fails to maintain the required minimum net worth, the department  
11 may issue a notice of cancellation of the license in lieu of revocation  
12 proceedings.

13       (4)(a) Every licensee shall, at the time any loan is made, give to  
14 the borrower, or if there are two or more borrowers, to one of the  
15 borrowers, a statement in the English language disclosing in clear and  
16 distinct terms the information required to be disclosed under the federal  
17 Consumer Credit Protection Act.

18       (b) The licensee shall also give to the borrower a copy of any  
19 writing evidencing a loan if the writing requires or provides for the  
20 signature of the borrower. The writing evidencing the borrower's  
21 obligation to pay a loan shall contain a clear and conspicuous notice in  
22 form and content substantially as follows:

23       NOTICE TO CONSUMER: 1. Do not sign this paper before you read it. 2.  
24 You are entitled to a copy of this paper. 3. You may prepay the unpaid  
25 balance at any time without penalty and may be entitled to receive a  
26 refund of unearned charges in accordance with law.

27       (5) All licensees under the Nebraska Installment Loan and Sales Act  
28 shall, on or before March 1 of each year, file with the department a  
29 report of the licensee's earnings and operations for the preceding  
30 calendar year, the licensee's assets at the end of the year, and any  
31 other relevant information as the department may reasonably require. The

1 report shall be made under oath and shall be in the form and manner  
2 prescribed by the department.

3 (6) All installment loan licensees shall submit a mortgage report of  
4 condition as required by section 45-726 on or before a date or dates  
5 established by rule, regulation, or order of the director.

6 (7) Upon written request of a borrower, the licensee shall provide a  
7 written statement of the dates and amounts of payments made and the  
8 amounts of any default and deferment charges assessed preceding the month  
9 in which the request is received and the total amount unpaid as of the  
10 end of the period covered by the statement and a copy of the loan  
11 agreement and security agreement, and a facsimile of any insurance  
12 certificate issued as part of the transaction, if applicable. The  
13 licensee may charge a reasonable fee for such copies, not to exceed fifty  
14 cents per page.

15 (8) A licensee shall answer in writing, within ten business days  
16 after receipt, any written request for payoff information from a borrower  
17 or a borrower's representative. This service shall be provided without  
18 charge to the borrower, except that when such information is provided  
19 upon request within sixty days after the fulfillment of a previous  
20 request, a processing fee of up to ten dollars may be charged for the  
21 subsequent request.

22 ~~(1) No person shall act as a sales finance company in this state~~  
23 ~~without obtaining a license therefor from the department as provided in~~  
24 ~~the Nebraska Installment Sales Act whether or not such person maintains~~  
25 ~~an office, place of doing business, or agent in this state, unless such~~  
26 ~~person meets the requirements of section 45-340.~~

27 ~~(2) No financial institution or installment loan licensee authorized~~  
28 ~~to do business in this state shall be required to obtain a license under~~  
29 ~~the act but shall comply with all of the other provisions of the act.~~

30 ~~(3) A seller who does not otherwise act as a sales finance company~~  
31 ~~shall not be required to obtain a license under the act but shall comply~~

1 ~~with all of the other provisions of the act in order to charge the time-~~  
2 ~~price differential allowed by section 45-338.~~

3 **Sec. 20.** Section 45-346, Revised Statutes Cumulative Supplement,  
4 2024, is amended to read:

5 45-346 (1) The department shall be charged with the duty of  
6 inspecting the business, records, and accounts of all persons who engage  
7 in business activities requiring a license under the Nebraska Installment  
8 Loan and Sales Act. The department may examine or investigate complaints  
9 about or reports of alleged violations by a licensee made to the  
10 department. The director shall have the power to appoint examiners who  
11 shall, under the director's direction, investigate the installment sales  
12 contracts, installment loans, and business and examine the books and  
13 records of licensees when the director shall so determine. Such  
14 examinations shall be conducted as often as determined by the director.

15 (2) The director or the director's duly authorized representative  
16 shall have the power to make such investigations as the director or  
17 authorized representative shall deem necessary, and to the extent  
18 necessary for this purpose, the director or authorized representative may  
19 examine a licensee or any other person and shall have the power to compel  
20 the production of all relevant books, records, accounts, and documents.

21 (3) The expenses of the director incurred in the examination of the  
22 books and records of licensees shall be charged to the licensees as set  
23 forth in sections 8-605 and 8-606. The director may charge the costs of  
24 an investigation of a nonlicensed person to such person, and such costs  
25 shall be paid within thirty days after receipt of billing.

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

31 (5) If the director finds, after notice and opportunity for hearing

1 in accordance with the Administrative Procedure Act, that any person has  
2 willfully and intentionally violated any provision of the Nebraska  
3 Installment Loan and Sales Act, any rule or regulation adopted and  
4 promulgated under the Nebraska Installment Loan and Sales Act, or any  
5 order issued by the director under the Nebraska Installment Loan and  
6 Sales Act, the director may order such person to pay (a) an  
7 administrative fine of not more than five thousand dollars for each  
8 separate violation and (b) the costs of investigation. The department  
9 shall remit fines collected under this subsection to the State Treasurer  
10 for distribution in accordance with Article VII, section 5, of the  
11 Constitution of Nebraska.

12 (6) If a person fails to pay an administrative fine and the costs of  
13 investigation ordered pursuant to subsection (5) of this section, a lien  
14 in the amount of such fine and costs may be imposed upon all assets and  
15 property of such person in this state and may be recovered in a civil  
16 action by the director. The lien shall attach to the real property of  
17 such person when notice of the lien is filed and indexed against the real  
18 property in the office of the register of deeds in the county where the  
19 real property is located. The lien shall attach to any other property of  
20 such person when notice of the lien is filed against the property in the  
21 manner prescribed by law. Failure of the person to pay such fine and  
22 costs shall constitute a separate violation of the Nebraska Installment  
23 Loan and Sales Act.

24 ~~(1) A license issued under the Nebraska Installment Sales Act is~~  
25 ~~nontransferable and nonassignable. The same person may obtain additional~~  
26 ~~licenses for each place of business operating as a sales finance company~~  
27 ~~in this state upon compliance with the act as to each license, except~~  
28 ~~that on or after January 1, 2020, a person is no longer required to~~  
29 ~~obtain a new license for each place of business and may maintain a branch~~  
30 ~~office or offices upon compliance with the act.~~

31 ~~(2) Application for a license shall be on a form prescribed and~~

1 ~~furnished by the director and shall include, but not be limited to, (a)~~  
2 ~~the applicant's name and any trade name or doing business as designation~~  
3 ~~which the applicant intends to use in this state, (b) the applicant's~~  
4 ~~main office address, (c) all branch office addresses at which business is~~  
5 ~~to be conducted, (d) the names and titles of each director and principal~~  
6 ~~officer of the applicant, (e) the names of all shareholders, partners, or~~  
7 ~~members of the applicant, (f) a description of the activities of the~~  
8 ~~applicant in such detail as the department may require, (g) if the~~  
9 ~~applicant is an individual, his or her social security number, (h)~~  
10 ~~audited financial statements showing a minimum net worth of one hundred~~  
11 ~~thousand dollars, and (i) background checks as provided in section~~  
12 ~~45-354.~~

13 ~~(3) An applicant for a license shall file with the department a~~  
14 ~~surety bond in the amount of fifty thousand dollars, furnished by a~~  
15 ~~surety company authorized to do business in this state. Such bond shall~~  
16 ~~be increased by an additional fifty thousand dollars for each branch~~  
17 ~~location of the applicant that is licensed under the Nebraska Installment~~  
18 ~~Sales Act. The bond shall be for the use of the State of Nebraska and any~~  
19 ~~Nebraska resident who may have claims or causes of action against the~~  
20 ~~applicant. The surety may cancel the bond only upon thirty days' written~~  
21 ~~notice to the director.~~

22 ~~(4) A license fee of one hundred fifty dollars, and, if applicable,~~  
23 ~~a one hundred dollar fee for each branch office listed in the~~  
24 ~~application, and any processing fee allowed under subsection (2) of~~  
25 ~~section 45-354 shall be submitted along with each application.~~

26 ~~(5) An initial license shall remain in full force and effect until~~  
27 ~~the next succeeding December 31. Each license shall remain in force until~~  
28 ~~revoked, suspended, canceled, expired, or surrendered.~~

29 ~~(6) The director shall, after an application has been filed for a~~  
30 ~~license under the act, investigate the facts, and if he or she finds that~~  
31 ~~the experience, character, and general fitness of the applicant, of the~~

1 ~~members thereof if the applicant is a corporation or association, and of~~  
2 ~~the officers and directors thereof if the applicant is a corporation, are~~  
3 ~~such as to warrant belief that the business will be operated honestly,~~  
4 ~~fairly, and efficiently within the purpose of the act, the director shall~~  
5 ~~issue and deliver a license to the applicant to do business as a sales~~  
6 ~~finance company in accordance with the license and the act. The director~~  
7 ~~shall have the power to reject for cause any application for a license.~~

8 ~~(7) The director shall, within his or her discretion, make an~~  
9 ~~examination and inspection concerning the propriety of the issuance of a~~  
10 ~~license to any applicant. The cost of such examination and inspection~~  
11 ~~shall be borne by the applicant.~~

12 ~~(8) If an applicant for a license under the act does not complete~~  
13 ~~the license application and fails to respond to a notice or notices from~~  
14 ~~the department to correct the deficiency or deficiencies for a period of~~  
15 ~~one hundred twenty days or more after the date the department sends the~~  
16 ~~initial notice to correct the deficiency or deficiencies, the department~~  
17 ~~may deem the application as abandoned and may issue a notice of~~  
18 ~~abandonment of the application to the applicant in lieu of proceedings to~~  
19 ~~deny the application.~~

20 **Sec. 21.** Section 45-347, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 45-347 The payment in money, credit, goods, or things in action, as  
23 consideration for any sale or assignment of, or order for, the payment of  
24 wages, salary, commission, or other compensation for services, whether  
25 earned or to be earned, shall, for purposes of regulation under the  
26 Nebraska Installment Loan and Sales Act, be deemed a loan secured by such  
27 assignment, and the amount by which the assigned compensation exceeds the  
28 amount of the consideration actually paid, shall, for the purposes of  
29 regulation under the act, be deemed interest or charges upon the loan  
30 from the date of payment to the date the compensation is payable. Such  
31 transaction shall be governed by and be subject to the act.



1       ~~All money collected under the authority of the Nebraska Installment~~  
2 ~~Sales Act shall be remitted to the State Treasurer for credit to the~~  
3 ~~Financial Institution Assessment Cash Fund.~~

4       **Sec. 22.** Section 45-348, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6       45-348 Every installment loan licensee shall permit payment to be  
7 made in advance in any amount equal to one or more full installments on  
8 any loan contract at any time during regular business hours, but the  
9 licensee may apply such payment first to all accrued charges in full up  
10 to the date of such payment.

11       ~~(1) An installment sales license may be renewed annually on or~~  
12 ~~before December 31 by paying to the director a fee of one hundred fifty~~  
13 ~~dollars, plus one hundred dollars for each branch office, if applicable,~~  
14 ~~and any processing fee allowed under subsection (2) of section 45-354 and~~  
15 ~~by submitting such information as the director may require to indicate~~  
16 ~~any material change in the information contained in the original~~  
17 ~~application or succeeding renewal applications, including a copy of the~~  
18 ~~licensee's most recent annual audit.~~

19       ~~(2) A licensee may voluntarily surrender a license at any time by~~  
20 ~~delivering to the director written notice of the surrender. The~~  
21 ~~department shall cancel the license following such surrender.~~

22       ~~(3) If a licensee fails to renew its license and does not~~  
23 ~~voluntarily surrender the license pursuant to this section, the~~  
24 ~~department may issue a notice of expiration of the license to the~~  
25 ~~licensee in lieu of revocation proceedings.~~

26       **Sec. 23.** (1) Except as provided in section 45-350 and subsection  
27 (6) of this section, every installment loan licensee may make loans and  
28 may contract for and receive on such loans charges at a rate not  
29 exceeding twenty-four percent per annum on that part of the unpaid  
30 principal balance on any loan not in excess of one thousand dollars, and  
31 twenty-one percent per annum on any remainder of such unpaid principal

1 balance. Except for loans secured by mobile homes, an installment loan  
2 licensee may not make loans for a period in excess of one hundred forty-  
3 five months if the amount of the loan is greater than three thousand  
4 dollars but less than twenty-five thousand dollars. Unless otherwise  
5 allowed for by law, charges on loans made under the Nebraska Installment  
6 Loan and Sales Act shall not be paid, deducted, or received in advance.  
7 The contracting for, charging of, or receiving of charges as provided for  
8 in subsection (2) of this section shall not be deemed to be the payment,  
9 deduction, or receipt of such charges in advance.

10       (2) When the loan contract requires repayment in substantially equal  
11 and consecutive monthly installments of principal and charges combined,  
12 the installment loan licensee may, at the time the loan is made,  
13 precompute the charges at the agreed rate on scheduled unpaid principal  
14 balances according to the terms of the contract and add such charges to  
15 the principal of the loan. Every payment may be applied to the combined  
16 total of principal and precomputed charges until the contract is fully  
17 paid. All payments made on account of any loan except for default and  
18 deferment charges shall be deemed to be applied to the unpaid  
19 installments in the order in which the unpaid installments are due. The  
20 portion of the precomputed charges applicable to any particular month of  
21 the contract, as originally scheduled or following a deferment, shall be  
22 that proportion of such precomputed charges, excluding any adjustment  
23 made for a first installment period of more than one month and any  
24 adjustment made for deferment, which the balance of the contract  
25 scheduled to be outstanding during such month bears to the sum of all  
26 monthly balances originally scheduled to be outstanding by the contract.  
27 This section shall not limit or restrict the manner of calculating  
28 charges, whether by way of add-on, single annual rate, or otherwise, if  
29 the rate of charges does not exceed what is permitted by this section.  
30 Charges may be contracted for and earned at a single annual rate, except  
31 that the total charges from such rate shall not be greater than the total

1 charges from the several rates otherwise applicable to the different  
2 portions of the unpaid balance according to subsection (1) of this  
3 section. All loan contracts made pursuant to this subsection are subject  
4 to the following adjustments:

5 (a) Notwithstanding the requirement for substantially equal and  
6 consecutive monthly installments, the first installment period may not  
7 exceed one month by more than twenty-one days and may not fall short of  
8 one month by more than eleven days. The charges for each day exceeding  
9 one month shall be one-thirtieth of the charges which would be applicable  
10 to a first installment period of one month. The charge for extra days in  
11 the first installment period may be added to the first installment and  
12 such charges for such extra days shall be excluded in computing any  
13 rebate;

14 (b) If prepayment in full by cash, a new loan, or otherwise occurs  
15 before the first installment due date, the charges shall be recomputed at  
16 the rate of charges contracted for in accordance with this section upon  
17 the actual unpaid principal balance of the loan for the actual time  
18 outstanding by applying the payment, or payments, first to charges at the  
19 agreed rate and the remainder to the principal. The amount of charges so  
20 computed shall be retained in lieu of all precomputed charges;

21 (c) If a contract is prepaid in full by cash, a new loan, or  
22 otherwise after the first installment due date, the borrower shall  
23 receive a rebate of an amount which is not less than the amount obtained  
24 by applying to the unpaid principal balances as originally scheduled or,  
25 if deferred, as deferred, for the period following prepayment, according  
26 to the actuarial method, the rate of charge contracted for in accordance  
27 with this section. The licensee may round the rate of charge to the  
28 nearest one-half of one percent if such procedure is not consistently  
29 used to obtain a greater yield than would otherwise be permitted. Any  
30 default and deferment charges which are due and unpaid may be deducted  
31 from any rebate. No rebate shall be required for any partial prepayment.

1 No rebate of less than one dollar need be made. Acceleration of the  
2 maturity of the contract shall not in itself require a rebate. If  
3 judgment is obtained before the final installment date, the contract  
4 balance shall be reduced by the rebate which would be required for  
5 prepayment in full as of the date judgment is obtained;

6 (d) If any installment on a precomputed or interest-bearing loan is  
7 unpaid in full for ten or more consecutive days, Sundays and holidays  
8 included, after it is due, the licensee may charge and collect a default  
9 charge not exceeding an amount equal to five percent of such installment.  
10 If any installment payment is made by a check, draft, or similar signed  
11 order which is not honored because of insufficient funds, no account, or  
12 any other reason except an error of a third party to the loan contract,  
13 the licensee may charge and collect a fifteen-dollar bad check charge.  
14 Such default or bad check charges may be collected when due or at any  
15 time thereafter;

16 (e) If, as of an installment due date, the payment date of all  
17 wholly unpaid installments is deferred one or more full months and the  
18 maturity of the contract is extended for a corresponding period, the  
19 licensee may charge and collect a deferment charge not exceeding the  
20 charge applicable to the first of the installments deferred, multiplied  
21 by the number of months in the deferment period. The deferment period is  
22 that period during which no payment is made or required by reason of such  
23 deferment. The deferment charge may be collected at the time of deferment  
24 or at any time thereafter. The portion of the precomputed charges  
25 applicable to each deferred balance and installment period following the  
26 deferment period shall remain the same as that applicable to such balance  
27 and periods under the original loan contract. No installment on which a  
28 default charge has been collected, or on account of which any partial  
29 payment has been made, shall be deferred or included in the computation  
30 of the deferment charge unless such default charge or partial payment is  
31 refunded to the borrower or credited to the deferment charge. Any payment

1 received at the time of deferment may be applied first to the deferment  
2 charge and the remainder, if any, applied to the unpaid balance of the  
3 contract, except that if such payment is sufficient to pay, in addition  
4 to the appropriate deferment charge, any installment which is in default  
5 and the applicable default charge, it shall be first so applied and any  
6 such installment shall not be deferred or subject to the deferment  
7 charge. If a loan is prepaid in full during the deferment period, the  
8 borrower shall receive, in addition to the required rebate, a rebate of  
9 that portion of the deferment charge applicable to any unexpired full  
10 month or months of such deferment period; and

11 (f) If two or more full installments are in default for one full  
12 month or more at any installment date and if the contract so provides,  
13 the installment loan licensee may reduce the contract balance by the  
14 rebate which would be required for prepayment in full as of such  
15 installment date and the amount remaining unpaid shall be deemed to be  
16 the unpaid principal balance and thereafter in lieu of charging,  
17 collecting, receiving, and applying charges as provided in this  
18 subsection, charges may be charged, collected, received, and applied at  
19 the agreed rate as otherwise provided by this section until the loan is  
20 fully paid.

21 (3) The charges, as referred to in subsection (1) of this section,  
22 shall not be compounded. The charging, collecting, and receiving of  
23 charges as provided in subsection (2) of this section shall not be deemed  
24 compounding. If part or all of the consideration for a loan contract is  
25 the unpaid principal balance of a prior loan, then the principal amount  
26 payable under such loan contract may include any unpaid charges on the  
27 prior loan which have accrued within sixty days before the making of such  
28 loan contract and may include the balance remaining after giving the  
29 rebate required by subsection (2) of this section. Except as provided in  
30 subsection (2) of this section, charges shall (a) be computed and paid  
31 only as a percentage per month of the unpaid principal balance or

1 portions thereof and (b) be computed on the basis of the number of days  
2 actually elapsed. For purposes of computing charges, whether at the  
3 maximum rate or less, a month shall be that period of time from any date  
4 in a month to the corresponding date in the next month but if there is no  
5 such corresponding date then to the last day of the next month, and a day  
6 shall be considered one-thirtieth of a month when computation is made for  
7 a fraction of a month.

8 (4) Except as provided in subsections (5) and (6) of this section,  
9 in addition to that provided for under the Nebraska Installment Loan and  
10 Sales Act, no further or other amount whatsoever shall be directly or  
11 indirectly charged, contracted for, or received. If any amount, in excess  
12 of the charges permitted, is charged, contracted for, or received, the  
13 loan contract shall not on that account be void, but the installment loan  
14 licensee shall have no right to collect or receive any interest or other  
15 charges whatsoever. If such interest or other charges have been collected  
16 or contracted for, the licensee shall refund to the borrower all interest  
17 and other charges collected and shall not collect any interest or other  
18 charges contracted for and thereafter due on the loan involved, as  
19 liquidated damages, and the installment loan licensee or its assignee, if  
20 found liable, shall pay the costs of any action relating thereto,  
21 including reasonable attorney's fees. No installment loan licensee shall  
22 be found liable under this subsection if it shows by a preponderance of  
23 the evidence that the violation was not intentional and resulted from a  
24 bona fide error notwithstanding the maintenance of procedures reasonably  
25 adopted to avoid any such error.

26 (5) A borrower may be required to pay all reasonable expenses  
27 incurred in connection with the making, closing, disbursing, extending,  
28 readjusting, or renewing of loans. Such expenses may include abstracting,  
29 recording, releasing, and registration fees; premiums paid for nonfiling  
30 insurance; premiums paid on insurance policies covering tangible personal  
31 property securing the loan; amounts charged for a debt cancellation

1 contract or a debt suspension contract, as agreed upon by the parties, if  
2 the debt cancellation contract or debt suspension contract is a contract  
3 of a financial institution or installment loan licensee and such contract  
4 is sold directly by such financial institution or licensee or by an  
5 unaffiliated, nonexclusive agent of such financial institution or  
6 licensee in accordance with 12 C.F.R. part 37, as such part existed on  
7 January 1, 2025, and the financial institution or installment loan  
8 licensee is responsible for the unaffiliated, nonexclusive agent's  
9 compliance with such part; title examinations; credit reports; survey;  
10 taxes or charges imposed upon or in connection with the making and  
11 recording or releasing of any mortgage; amounts charged for a guaranteed  
12 asset protection waiver; and fees and expenses charged for electronic  
13 title and lien services. Except as provided in subsection (6) of this  
14 section, a borrower may also be required to pay a nonrefundable loan  
15 origination fee not to exceed the lesser of five hundred dollars or an  
16 amount equal to seven percent of that part of the original principal  
17 balance of any loan not in excess of two thousand dollars and five  
18 percent on that part of the original principal balance in excess of two  
19 thousand dollars, if the installment loan licensee has not made another  
20 loan to the borrower within the previous twelve months. If the licensee  
21 has made another loan to the borrower within the previous twelve months,  
22 a nonrefundable loan origination fee may only be charged on new funds  
23 advanced on each successive loan. Such reasonable initial charges may be  
24 collected from the borrower or included in the principal balance of the  
25 loan at the time the loan is made and shall not be considered interest or  
26 a charge for the use of the money loaned.

27 (6)(a) Loans secured solely by real property that are not made  
28 pursuant to subdivision (11) of section 45-101.04 on real property shall  
29 not be subject to the limitations on the rate of interest provided in  
30 subsection (1) of this section or the limitations on the nonrefundable  
31 loan origination fee under subsection (5) of this section if (i) the

1 principal amount of the loan is seven thousand five hundred dollars or  
2 more and (ii) the sum of the principal amount of the loan and the  
3 balances of all other liens against the property do not exceed one  
4 hundred percent of the appraised value of the property. Acceptable  
5 methods of determining appraised value shall be made by the department  
6 pursuant to rule, regulation, or order.

7 (b) An origination fee on such loan shall be computed only on the  
8 principal amount of the loan reduced by any portion of the principal that  
9 consists of the amount required to pay off another loan made under this  
10 subsection by the same licensee.

11 (c) A prepayment penalty on such loan shall be permitted only if (i)  
12 the maximum amount of the penalty to be assessed is stated in writing at  
13 the time the loan is made, (ii) the loan is prepaid in full within two  
14 years from the date of the loan, and (iii) the loan is prepaid with money  
15 other than the proceeds of another loan made by the same licensee. Such  
16 prepayment penalty shall not exceed six months' interest on eighty  
17 percent of the original principal balance computed at the agreed rate of  
18 interest on the loan.

19 (d) An installment loan licensee making a loan pursuant to this  
20 subsection may obtain an interest in any fixtures attached to such real  
21 property and any insurance proceeds payable in connection with such real  
22 property or the loan.

23 (e) For purposes of this subsection, principal amount of the loan  
24 means the total sum owed by the borrower including, but not limited to,  
25 insurance premiums, loan origination fees, or any other amount that is  
26 financed, except that for purposes of subdivision (6)(b) of this section,  
27 loan origination fees shall not be included in calculating the principal  
28 amount of the loan.

29 **Sec. 24.** Section 45-350, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 45-350 (1) Installment loan licensees may charge, contract for, or



1 receive any amount or rate of interest permitted by section 45-101.03 or  
2 45-101.04 or section 23 of this act upon any loan or upon any part or all  
3 of any aggregate indebtedness of the same person. Except as provided in  
4 subsection (2) of this section, the charging, contracting for, or  
5 receiving of a rate of interest permitted by section 45-101.04 does not  
6 exempt the licensee from compliance with the Nebraska Installment Loan  
7 and Sales Act.

8 (2)(a) Loans made by an installment loan licensee pursuant to  
9 subdivision (4) of section 45-101.04 are not subject to the Nebraska  
10 Installment Loan and Sales Act if such loans are not made on real  
11 property.

12 (b) Loans made by an installment loan licensee pursuant to  
13 subdivision (11) of section 45-101.04 on real property are not subject to  
14 the Nebraska Installment Loan and Sales Act. An installment loan licensee  
15 making such loans shall comply with and be subject to the Residential  
16 Mortgage Licensing Act with respect to such loans, except that the  
17 installment loan licensee shall not be required to obtain a mortgage  
18 banker license under the Residential Mortgage Licensing Act.

19 (c) Any mortgage loan originator who works as an employee or  
20 independent agent of an installment loan licensee shall be required to  
21 obtain a mortgage loan originator license and shall be subject to the  
22 Residential Mortgage Licensing Act.

23 (3) Except as provided in subdivision (2)(a) of section 23 of this  
24 act, no installment loan licensee shall enter into any loan contract  
25 under the Nebraska Installment Loan and Sales Act under which the  
26 borrower agrees to make any payment of principal more than thirty-six  
27 calendar months from the date of making such contract when the principal  
28 balance is not more than three thousand dollars. Every loan contract  
29 precomputed pursuant to subsection (2) of section 23 of this act shall  
30 provide for repayment of principal and charges in installments which  
31 shall be payable at approximately equal periodic intervals of time and so

1 arranged that no installment is substantially greater in amount than any  
2 preceding installment. When necessary in order to facilitate payment in  
3 accordance with the borrower's principal source of income or when the  
4 loan contract is not precomputed pursuant to subsection (2) of section 23  
5 of this act, the payment schedule may reduce or omit installment  
6 payments. Any loan contract made in violation of this section, either  
7 knowingly or without the exercise of due care to prevent the violation,  
8 shall not on that account be void, but the licensee has no right to  
9 collect or receive any interest or charges on such loan. If any interest  
10 or other charges have been collected or contracted for, the installment  
11 loan licensee shall refund to the borrower all interest and other charges  
12 collected and shall not collect thereafter any interest or other charges  
13 contracted for and thereafter due on the loan involved, as liquidated  
14 damages, and the installment loan licensee or its assignee, if found  
15 liable, shall pay the costs of any action relating thereto, including  
16 reasonable attorney's fees. No installment loan licensee shall be found  
17 liable under this subsection if it shows by a preponderance of the  
18 evidence that the violation was not intentional and resulted from a bona  
19 fide error notwithstanding the maintenance of procedures reasonably  
20 adopted to avoid any such error.

21 ~~(1) Renewal of a license originally granted under the Nebraska~~  
22 ~~Installment Sales Act may be denied or a license may be suspended or~~  
23 ~~revoked by the director on the following grounds: (a) Material~~  
24 ~~misstatement in the application for license; (b) willful failure to~~  
25 ~~comply with any provision of the Nebraska Installment Sales Act relating~~  
26 ~~to installment contracts; (c) defrauding any buyer to the buyer's damage;~~  
27 ~~or (d) fraudulent misrepresentation, circumvention, or concealment by the~~  
28 ~~licensee through whatever subterfuge or device of any of the material~~  
29 ~~particulars or the nature thereof required to be stated or furnished to~~  
30 ~~the buyer under the Nebraska Installment Sales Act.~~

31 ~~(2) If a licensee is a partnership, limited liability company,~~

1 ~~association, or corporation, it shall be sufficient cause for the~~  
2 ~~suspension or revocation of a license that any officer, director, or~~  
3 ~~trustee of a licensed association or corporation or any member of a~~  
4 ~~licensed partnership or limited liability company has so acted or failed~~  
5 ~~to act as would be cause for suspending or revoking a license to such~~  
6 ~~party as an individual.~~

7 ~~(3) No license shall be denied, suspended, or revoked except after~~  
8 ~~hearing in accordance with the Administrative Procedure Act. The director~~  
9 ~~shall give the licensee at least ten days' written notice, in the form of~~  
10 ~~an order to show cause, of the time and place of such hearing by either~~  
11 ~~registered or certified mail addressed to the principal place of business~~  
12 ~~in this state of such licensee. Such notice shall contain the grounds of~~  
13 ~~complaint against the licensee. Any order suspending or revoking such~~  
14 ~~license shall recite the grounds upon which the same is based. The order~~  
15 ~~shall be entered upon the records of the director and shall not be~~  
16 ~~effective until after thirty days' written notice thereof given after~~  
17 ~~such entry forwarded by either registered or certified mail to the~~  
18 ~~licensee at such principal place of business.~~

19 ~~(4) Revocation, suspension, cancellation, expiration, or surrender~~  
20 ~~of any license shall not impair or affect the obligation of any lawful~~  
21 ~~installment contract acquired previously thereto by the licensee.~~

22 ~~(5) Revocation, suspension, cancellation, expiration, or surrender~~  
23 ~~of any license shall not affect civil or criminal liability for acts~~  
24 ~~committed before the revocation, suspension, cancellation, expiration, or~~  
25 ~~surrender or affect liability for any fines which may be levied against~~  
26 ~~the licensee or any of its officers, directors, shareholders, partners,~~  
27 ~~or members pursuant to the Nebraska Installment Sales Act for acts~~  
28 ~~committed before the revocation, suspension, cancellation, expiration, or~~  
29 ~~surrender.~~

30 ~~(6) Any person, licensee, or applicant considering himself or~~  
31 ~~herself aggrieved by an order of the director entered under the~~

1 ~~provisions of this section may appeal the order. The appeal shall be in~~  
2 ~~accordance with the Administrative Procedure Act.~~

3 **Sec. 25.** Section 45-351, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 45-351 (1) Except as otherwise provided by the Nebraska Installment  
6 Loan and Sales Act or other law, an installment loan licensee shall not  
7 contact any individual who is not living, residing, or present in the  
8 household of the borrower regarding the borrower's obligation to pay a  
9 debt, other than the borrower's spouse, the borrower's attorney, another  
10 creditor, or a credit reporting agency.

11 (2) The borrower may waive the benefits of this section at any time  
12 by giving consent if such consent is given at a time subsequent to the  
13 date the debt arises.

14 ~~(1) The department shall be charged with the duty of inspecting the~~  
15 ~~business, records, and accounts of all persons who engage in the business~~  
16 ~~of a sales finance company subject to the Nebraska Installment Sales Act.~~  
17 ~~The director shall have the power to appoint examiners who shall, under~~  
18 ~~his or her direction, investigate the installment contracts and business~~  
19 ~~and examine the books and records of licensees when the director shall so~~  
20 ~~determine. Such examinations shall not be conducted more often than~~  
21 ~~annually except as provided in subsection (2) of this section.~~

22 ~~(2) The director or his or her duly authorized representative shall~~  
23 ~~have the power to make such investigations as he or she shall deem~~  
24 ~~necessary, and to the extent necessary for this purpose, he or she may~~  
25 ~~examine such licensee or any other person and shall have the power to~~  
26 ~~compel the production of all relevant books, records, accounts, and~~  
27 ~~documents.~~

28 ~~(3) The expenses of the director incurred in the examination of the~~  
29 ~~books and records of licensees shall be charged to the licensees as set~~  
30 ~~forth in sections 8-605 and 8-606. The director may charge the costs of~~  
31 ~~an investigation of a nonlicensed person to such person, and such costs~~

1 ~~shall be paid within thirty days after receipt of billing.~~

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

7 ~~(5) If the director finds, after notice and opportunity for hearing~~  
8 ~~in accordance with the Administrative Procedure Act, that any person has~~  
9 ~~willfully and intentionally violated any provision of the Nebraska~~  
10 ~~Installment Sales Act, any rule or regulation adopted and promulgated~~  
11 ~~under the act, or any order issued by the director under the act, the~~  
12 ~~director may order such person to pay (a) an administrative fine of not~~  
13 ~~more than one thousand dollars for each separate violation and (b) the~~  
14 ~~costs of investigation. The department shall remit fines collected under~~  
15 ~~this subsection to the State Treasurer for distribution in accordance~~  
16 ~~with Article VII, section 5, of the Constitution of Nebraska.~~

17 ~~(6) If a person fails to pay an administrative fine and the costs of~~  
18 ~~investigation ordered pursuant to subsection (5) of this section, a lien~~  
19 ~~in the amount of such fine and costs may be imposed upon all assets and~~  
20 ~~property of such person in this state and may be recovered in a civil~~  
21 ~~action by the director. The lien shall attach to the real property of~~  
22 ~~such person when notice of the lien is filed and indexed against the real~~  
23 ~~property in the office of the register of deeds in the county where the~~  
24 ~~real property is located. The lien shall attach to any other property of~~  
25 ~~such person when notice of the lien is filed against the property in the~~  
26 ~~manner prescribed by law. Failure of the person to pay such fine and~~  
27 ~~costs shall constitute a separate violation of the Nebraska Installment~~  
28 ~~Sales Act.~~

29 **Sec. 26.** Section 45-352, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 45-352 (1) Section 45-351 shall not prohibit the licensee from:

1       (a) Contacting any person in order to discover property belonging to  
2 the borrower that may be seized to satisfy a debt that has been reduced  
3 to judgment;

4       (b) Making amicable demand and filing suit on the debt; or

5       (c) Contacting persons related to the borrower if permission is  
6 specifically given in writing at the time the debt arises or at any time  
7 after such debt arises.

8       (2) An installment loan licensee may contact any person without the  
9 borrower's consent:

10       (a) To ascertain information relating to a borrower's credit  
11 worthiness, credit standing, credit capacity, character, general  
12 reputation, personal characteristics, or mode of living which is used or  
13 expected to be used or collected in whole or in part for the purpose of  
14 servicing as a factor in establishing the borrower's eligibility for credit  
15 or insurance if such contacts are not designed to collect a delinquent  
16 debt; or

17       (b) To locate the borrower when the licensee has reason to believe  
18 the borrower has changed his or her employment or has moved from his or  
19 her last-known address.

20       ~~The director shall have the power to make such general rules and~~  
21 ~~regulations and specific rulings, demands, and findings as may be~~  
22 ~~necessary for the proper conduct of the business licensed under the~~  
23 ~~Nebraska Installment Sales Act, and the enforcement of the act, in~~  
24 ~~addition thereto and not inconsistent therewith.~~

25       **Sec. 27.** Section 45-353, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27       45-353 (1) An agreement of the parties to a loan, with respect to  
28 default on the part of the borrower, is enforceable only to the extent  
29 that:

30       (a) The borrower fails to make a payment on the loan or other  
31 charges required by the agreement; or

1       (b) The prospect of payment, performance, or realization of  
2 collateral is significantly impaired. The burden of establishing the  
3 prospect of significant impairment is on the installment loan licensee.

4       (2) If the borrower has defaulted on his or her promise to pay and  
5 if he or she has given specific notice in writing, by registered or  
6 certified mail, instructing the licensee to cease further contacts with  
7 the borrower in regard to the indebtedness, the installment loan licensee  
8 shall, after such notice, except as provided in section 45-352, limit  
9 contacts to one notice per month by mail. No notice shall be designed to  
10 threaten action not otherwise permitted by law.

11       (3) With respect to a loan, after a borrower has been in default for  
12 ten days for failure to make a required payment, an installment loan  
13 licensee may give the borrower the notice described in this section. An  
14 installment loan licensee gives notice to the borrower under this section  
15 when it delivers the notice to the borrower or delivers or mails the  
16 notice to the last-known address of the borrower's residence.

17       (4) The notice shall be in writing and shall conspicuously state:

18       (a) The name, address, and telephone number of the installment loan  
19 licensee to which payment is to be made;

20       (b) A brief identification of the loan;

21       (c) The borrower's right to cure the default;

22       (d) The amount of payment and date by which payment must be made to  
23 cure the default; and

24       (e) That any credit insurance issued in connection with the loan  
25 contract may be canceled unless the borrower cures the default.

26       (5) With respect to a loan, after a default consisting only of the  
27 borrower's failure to make a required payment, an installment loan  
28 licensee may neither accelerate maturity of the unpaid balance of the  
29 obligation nor take possession of collateral, except voluntarily  
30 surrendered collateral, because of such default until twenty days after a  
31 notice of the borrower's right to cure is given. The borrower shall have

1 twenty days after the notice is given to cure any default consisting of a  
2 failure to make the required payment by tendering the amount of all  
3 unpaid sums due at the time of the tender, without acceleration, plus any  
4 unpaid charges. Cure restores the borrower to his or her rights under the  
5 agreement as though the default had not occurred.

6 (6) With respect to defaults on the same obligation after an  
7 installment loan licensee has once given a notice of the borrower's right  
8 to cure, the borrower shall have no further right to cure and the  
9 installment loan licensee has no obligation to proceed against the  
10 borrower or the collateral.

11 (7) Upon default by a borrower with respect to a loan, unless the  
12 borrower voluntarily surrenders possession of the collateral to the  
13 licensee, the licensee may take possession of the collateral without  
14 judicial process only if possession can be taken without entry into a  
15 dwelling or a locked, unoccupied motor vehicle, and without the use of  
16 force or other breach of the peace.

17 ~~(1) Whenever the director has reasonable cause to believe that any~~  
18 ~~person is violating or is threatening to or intends to violate any of the~~  
19 ~~provisions of the Nebraska Installment Sales Act, he or she may, in~~  
20 ~~addition to all actions provided for in the act and without prejudice~~  
21 ~~thereto, enter an order requiring such person to desist or to refrain~~  
22 ~~from such violation. An action may also be brought, on the relation of~~  
23 ~~the Attorney General or the director, to enjoin such person from engaging~~  
24 ~~in or continuing such violation or from doing any act or acts in~~  
25 ~~furtherance thereof.~~

26 ~~(2) In any such action an order or judgment may be entered awarding~~  
27 ~~such preliminary or final injunction as may be deemed proper. In addition~~  
28 ~~to all other means provided by law for the enforcement of a restraining~~  
29 ~~order or injunction, the court, in which such action is brought, shall~~  
30 ~~have power and jurisdiction to impound and appoint a receiver for the~~  
31 ~~property and business of the defendant, including books, papers,~~



~~1 documents, and records pertaining thereto or so much thereof as the court  
2 may deem reasonably necessary to prevent violations of the Nebraska  
3 Installment Sales Act through or by means of the use of such property and  
4 business. Such receiver, when so appointed and qualified, shall have such  
5 powers and duties as to custody, collection, administration, winding up  
6 and liquidation of such property and business as shall, from time to  
7 time, be conferred upon him or her by the court.~~

8       **Sec. 28.** Section 45-354, Revised Statutes Cumulative Supplement,  
9 2024, is amended to read:

10       45-354 (1) A borrower is not liable for a deficiency unless the  
11 licensee has disposed of the collateral in good faith and in a  
12 commercially reasonable manner.

13       (2) If the installment loan licensee takes possession or voluntarily  
14 accepts surrender of goods in which the licensee has a security interest  
15 to secure a loan and at the time thereof the unpaid balance due on the  
16 loan is three thousand dollars or less, the borrower is not personally  
17 liable to the installment loan licensee for the unpaid balance of the  
18 debt arising from the loan and the licensee's duty to dispose of the  
19 collateral is governed by the provisions on disposition of collateral,  
20 article 9, Uniform Commercial Code.

21       (3) The borrower may be liable in damages to the installment loan  
22 licensee if the borrower has wrongfully damaged the collateral or if,  
23 after default, failure to cure, and demand, the borrower has wrongfully  
24 failed to make the collateral available to the installment loan licensee.

25       (4) If the installment loan licensee elects to bring an action  
26 against the borrower for a debt arising from a loan, when under this  
27 section the installment loan licensee would not be entitled to a  
28 deficiency judgment if the installment loan licensee took possession of  
29 the collateral, and obtains judgment, (a) the installment loan licensee  
30 may not take possession of the collateral and (b) the collateral is not  
31 subject to levy or sale on execution or similar proceedings pursuant to

1 ~~the judgment.~~

2 ~~(1) Effective January 1, 2013, or within one hundred eighty days~~  
3 ~~after the Nationwide Mortgage Licensing System and Registry is capable of~~  
4 ~~accepting licenses issued under the Nebraska Installment Sales Act,~~  
5 ~~whichever is later, the department shall require such licensees under the~~  
6 ~~act to be licensed and registered through the Nationwide Mortgage~~  
7 ~~Licensing System and Registry. In order to carry out this requirement,~~  
8 ~~the department is authorized to participate in the Nationwide Mortgage~~  
9 ~~Licensing System and Registry. For this purpose, the department may~~  
10 ~~establish, by adopting and promulgating rules and regulations or by~~  
11 ~~order, requirements as necessary. The requirements may include, but not~~  
12 ~~be limited to:~~

13 ~~(a) Background checks of applicants and licensees, including, but~~  
14 ~~not limited to:~~

15 ~~(i) Fingerprints of every executive officer, director, partner,~~  
16 ~~member, sole proprietor, or shareholder submitted to the Federal Bureau~~  
17 ~~of Investigation and any other governmental agency or entity authorized~~  
18 ~~to receive such information for a state, national, and international~~  
19 ~~criminal history record information check;~~

20 ~~(ii) Civil or administrative records;~~

21 ~~(iii) Credit history; or~~

22 ~~(iv) Any other information as deemed necessary by the Nationwide~~  
23 ~~Mortgage Licensing System and Registry;~~

24 ~~(b) The payment of fees to apply for or renew a license through the~~  
25 ~~Nationwide Mortgage Licensing System and Registry;~~

26 ~~(c) Compliance with prelicensure education and testing and~~  
27 ~~continuing education;~~

28 ~~(d) The setting or resetting, as necessary, of renewal processing or~~  
29 ~~reporting dates; and~~

30 ~~(e) Amending or surrendering a license or any other such activities~~  
31 ~~as the director deems necessary for participation in the Nationwide~~

1 ~~Mortgage Licensing System and Registry.~~

2 ~~(2) In order to fulfill the purposes of the Nebraska Installment~~  
3 ~~Sales Act, the department is authorized to establish relationships or~~  
4 ~~contracts with the Nationwide Mortgage Licensing System and Registry or~~  
5 ~~other entities designated by the Nationwide Mortgage Licensing System and~~  
6 ~~Registry to collect and maintain records and process transaction fees or~~  
7 ~~other fees related to licensees or other persons subject to the act. The~~  
8 ~~department may allow such system to collect licensing fees on behalf of~~  
9 ~~the department and allow such system to collect a processing fee for the~~  
10 ~~services of the system directly from each licensee or applicant for a~~  
11 ~~license.~~

12 ~~(3) The director is required to regularly report enforcement actions~~  
13 ~~and other relevant information to the Nationwide Mortgage Licensing~~  
14 ~~System and Registry subject to the provisions contained in section~~  
15 ~~45-355.~~

16 ~~(4) The director shall establish a process whereby applicants and~~  
17 ~~licensees may challenge information entered into the Nationwide Mortgage~~  
18 ~~Licensing System and Registry by the director.~~

19 ~~(5) The department shall ensure that the Nationwide Mortgage~~  
20 ~~Licensing System and Registry adopts a privacy, data security, and breach~~  
21 ~~of security of the system notification policy. The director shall make~~  
22 ~~available upon written request a copy of the contract between the~~  
23 ~~department and the Nationwide Mortgage Licensing System and Registry~~  
24 ~~pertaining to the breach of security of the system provisions.~~

25 ~~(6) The department shall upon written request provide the most~~  
26 ~~recently available audited financial report of the Nationwide Mortgage~~  
27 ~~Licensing System and Registry.~~

28 ~~(7) The director may use the Nationwide Mortgage Licensing System~~  
29 ~~and Registry as a channeling agent for requesting information from and~~  
30 ~~distributing information to the United States Department of Justice or~~  
31 ~~any other governmental agency in order to reduce the points of contact~~

1 ~~which the Federal Bureau of Investigation may have to maintain for~~  
2 ~~purposes of subsection (1) of this section.~~

3 **Sec. 29.** Section 45-355, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 45-355 (1) No individual, other than the spouse of the borrower, is  
6 obligated as a cosigner, comaker, guarantor, endorser, surety, or similar  
7 party with respect to a loan unless, before or contemporaneously with  
8 signing any separate agreement of loan or any writing setting forth the  
9 terms of the borrower's agreement, the individual receives a separate  
10 written notice that contains a completed identification of the loan the  
11 individual may have to pay and reasonably informs the individual of the  
12 obligation with respect to it.

13 (2) Such notice shall be in the form prescribed by the department.

14 (3) An individual entitled to notice under this section shall also  
15 be given a copy of any writing setting forth the terms of the borrower's  
16 agreement and of any separate agreement of obligation signed by the  
17 individual entitled to the notice.

18 ~~(1) In order to promote more effective regulation and reduce the~~  
19 ~~regulatory burden through supervisory information sharing:~~

20 ~~(a) Except as otherwise provided in this section, the requirements~~  
21 ~~under any federal or state law regarding the privacy or confidentiality~~  
22 ~~of any information or material provided to the Nationwide Mortgage~~  
23 ~~Licensing System and Registry, and any privilege arising under federal or~~  
24 ~~state law, including the rules of any federal or state court, with~~  
25 ~~respect to such information or material, shall continue to apply to such~~  
26 ~~information or material after the information or material has been~~  
27 ~~disclosed to the Nationwide Mortgage Licensing System and Registry. Such~~  
28 ~~information and material may be shared with all federal and state~~  
29 ~~regulatory officials with mortgage industry oversight authority without~~  
30 ~~the loss of privilege or the loss of confidentiality protections provided~~  
31 ~~by federal or state law;~~

1       ~~(b) Information or material that is subject to privilege or~~  
2 ~~confidentiality under subdivision (a) of this subsection shall not be~~  
3 ~~subject to:~~

4       ~~(i) Disclosure under any federal or state law governing the~~  
5 ~~disclosure to the public of information held by an officer or an agency~~  
6 ~~of the federal government or the respective state; or~~

7       ~~(ii) Subpoena or discovery or admission into evidence in any private~~  
8 ~~civil action or administrative process unless, with respect to any~~  
9 ~~privilege held by the Nationwide Mortgage Licensing System and Registry~~  
10 ~~with respect to such information or material, the person to whom such~~  
11 ~~information or material pertains waives, in whole or in part, in the~~  
12 ~~discretion of such person, that privilege;~~

13       ~~(c) Any state statute relating to the disclosure of confidential~~  
14 ~~supervisory information or any information or material described in~~  
15 ~~subdivision (a) of this subsection that is inconsistent with such~~  
16 ~~subdivision shall be superseded by the requirements of this section; and~~

17       ~~(d) This section shall not apply with respect to the information or~~  
18 ~~material relating to the employment history of, and publicly adjudicated~~  
19 ~~disciplinary and enforcement actions against, applicants and licensees~~  
20 ~~that is included in the Nationwide Mortgage Licensing System and Registry~~  
21 ~~for access by the public.~~

22       ~~(2) For these purposes, the director is authorized to enter into~~  
23 ~~agreements or sharing arrangements with other governmental agencies, the~~  
24 ~~Conference of State Bank Supervisors, the American Association of~~  
25 ~~Residential Mortgage Regulators, or other associations representing~~  
26 ~~governmental agencies as established by adopting and promulgating rules~~  
27 ~~and regulations or an order of the director.~~

28       **Sec. 30.** Section 45-356, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30       45-356 (1) No licensee shall receive any security agreement or  
31 assignment of salary or wages signed in blank. All blank spaces shall be

1 filled in with ink or typewritten or printed with the proper names and  
2 amounts showing the name of the person by whom the individual making the  
3 conveyance or assignment is employed. No assignment or order for wages is  
4 valid if it contains an amount in excess of the sum borrowed together  
5 with the interest and charges as provided in the Nebraska Installment  
6 Loan and Sales Act.

7 (2) No assignment of or order for wages to secure a loan or  
8 advancement is valid when made by a married man or woman unless the  
9 written consent of the wife or husband to the making of such loan is  
10 attached thereto.

11 (3) No licensee shall take a power of attorney, or any instrument  
12 signed by an attorney in fact and not personally, or any instrument  
13 signed in which blanks are left to be filled after execution.

14 ~~(1) No person acting personally or as an agent shall acquire control~~  
15 ~~of any licensee under the Nebraska Installment Sales Act without first~~  
16 ~~(a) giving thirty days' notice to the department on a form prescribed by~~  
17 ~~the department of such proposed acquisition and (b) paying a filing fee~~  
18 ~~of one hundred fifty dollars and any processing fee allowed under~~  
19 ~~subsection (2) of section 45-354.~~

20 ~~(2) The director, upon receipt of such notice, shall act upon the~~  
21 ~~acquisition within thirty days, and unless he or she disapproves of the~~  
22 ~~proposed acquisition within such period of time, the acquisition shall~~  
23 ~~become effective on the thirty-first day after receipt without the~~  
24 ~~director's approval, except that the director may extend the thirty-day~~  
25 ~~period an additional thirty days if, in his or her judgment, any material~~  
26 ~~information submitted is substantially inaccurate or the acquiring party~~  
27 ~~has not furnished all the information required by the department.~~

28 ~~(3) An acquisition may become effective prior to the expiration of~~  
29 ~~the disapproval period if the director issues written notice of his or~~  
30 ~~her intent not to disapprove the action.~~

31 ~~(4)(a) The director may disapprove any proposed acquisition if:~~

1       ~~(i) The financial condition of any acquiring person is such as might~~  
2       ~~jeopardize the financial stability of the acquired licensee;~~

3       ~~(ii) The character and general fitness of any acquiring person or of~~  
4       ~~any of the proposed management personnel indicate that the acquired~~  
5       ~~installment sales licensee would not be operated honestly, fairly, or~~  
6       ~~efficiently within the purpose of the Nebraska Installment Sales Act; or~~

7       ~~(iii) Any acquiring person neglects, fails, or refuses to furnish~~  
8       ~~all information required by the department.~~

9       ~~(b) The director shall notify the acquiring party in writing of~~  
10       ~~disapproval of the acquisition. The notice shall provide a statement of~~  
11       ~~the basis for the disapproval.~~

12       ~~(c) Within fifteen business days after receipt of written notice of~~  
13       ~~disapproval, the acquiring party may make a written request for a hearing~~  
14       ~~on the proposed acquisition in accordance with the Administrative~~  
15       ~~Procedure Act and rules and regulations adopted and promulgated by the~~  
16       ~~department under the Administrative Procedure Act. The director shall, by~~  
17       ~~order, approve or disapprove the proposed acquisition on the basis of the~~  
18       ~~record made at the hearing.~~

19       Sec. 31. Within thirty days after repayment of the loan in full,  
20       the licensee shall mark plainly every obligation or copy of the  
21       obligation and security or copy of the security signed by any obligor  
22       with the word Paid or Canceled and shall release any mortgage, trust  
23       deed, or lien, restore any pledge, and cancel and return any note or copy  
24       of the note and any assignment or copy of the assignment given to the  
25       licensee. For purposes of this section, a copy shall meet the  
26       requirements of section 25-12,112.

27       Sec. 32. Nothing in sections 45-351 and 45-353 shall limit a  
28       borrower's right to bring an action for damages. When the licensee has  
29       filed suit and obtained judgment, the licensee shall be permitted to  
30       resume contacts with the borrower against whom judgment has been  
31       obtained.

1           **Sec. 33.** (1) The following types of insurance or one or more of the  
2 following types of insurance may be written in connection with loans made  
3 by installment loan licensees under the Nebraska Installment Loan and  
4 Sales Act:

5           (a) Fire, theft, windstorm, or comprehensive, including fire, theft,  
6 and windstorm, fifty dollars or more deductible collision, and bodily  
7 injury liability and property damage liability upon motor vehicles;

8           (b) Fire and extended-coverage insurance upon real property;

9           (c) Fire and extended-coverage insurance upon tangible personal  
10 property, limited to the principal amount of the loan;

11           (d) Involuntary unemployment or job protection insurance. In the  
12 event of a renewal of a loan contract, this type of insurance shall be  
13 canceled and a refund of the unearned premium credited or made before new  
14 insurance of this type may be rewritten. Such insurance shall not be  
15 required as a condition precedent to the making of such loan; and

16           (e) Life, health, and accident insurance or any of them, except that  
17 the amount of such insurance shall not exceed the total amount to be  
18 repaid under the loan contract and the term shall not extend beyond the  
19 final maturity date of the loan contract. In the event of a renewal of a  
20 loan contract, this type of insurance shall be canceled and a refund of  
21 the unearned premium credited or made before new insurance of this type  
22 may be written in connection with such loan. Such insurance shall not be  
23 required as a condition precedent to the making of such loan.

24           (2) In addition to the types of insurance written under subsection  
25 (1) of this section by licensees under the act, any other type of  
26 insurance or motor club service as defined in section 44-3707 may be  
27 provided for the benefit of a licensee's borrower or the borrower's  
28 immediate family whether or not in connection with a loan, except that  
29 such insurance or motor club service shall not be required as a condition  
30 precedent to the making of any loan. Nothing in this subsection alters or  
31 eliminates any insurance licensing requirements or certificate of



1 authority requirements under the Motor Club Services Act.

2 (3) Notwithstanding section 23 of this act and section 45-350, any  
3 gain or advantage, in the form of commission or otherwise, to the  
4 licensee or to any employee, affiliate, or associate of the licensee from  
5 such insurance or motor club service or the sale thereof shall not be  
6 deemed to be an additional or further charge in connection with the loan  
7 contract. The insurance premium or motor club service contract fee may be  
8 collected from the borrower or financed through the loan contract at the  
9 time the loan is made.

10 (4)(a) Insurance permitted under this section shall be obtained  
11 through a duly licensed insurance agent, agency, or broker. Premiums  
12 shall not exceed those fixed by law or current applicable manual rates.  
13 Insurance written, as authorized by this section, may contain a mortgage  
14 clause or other appropriate provision to protect the insurable interest  
15 of the licensee.

16 (b) Motor club services permitted under this section shall be  
17 obtained through a motor club which holds a certificate of authority  
18 under the Motor Club Services Act.

19 (5) In the event of a renewal of a loan contract, any insurance or  
20 motor club service sold pursuant to this section shall be canceled and  
21 (a) a refund of the unearned premium or motor club service contract fee  
22 credited or made before new insurance or motor club service of the same  
23 type as that being canceled may be rewritten or (b) the holder of the  
24 loan contract shall send notice to the buyer within fifteen business days  
25 after cancellation of the name, address, and telephone number of the  
26 insurance company or motor club which issued the insurance contract or  
27 motor club service contract or the party responsible for any refund and  
28 notice that the buyer may be eligible for a refund. A copy of such notice  
29 shall be retained by the holder of the loan contract.

30 (6) If any insurance or motor club service sold pursuant to this  
31 section is canceled or the premium or motor club service contract fee

1 adjusted during the term of the loan contract, any refund of the  
2 insurance premium or motor club service contract fee plus the unearned  
3 interest thereon received by the holder shall be credited by the holder  
4 to the loan contract or otherwise refunded, except to the extent applied  
5 toward payment for similar insurance or motor club service protecting the  
6 interests of the buyer and the holder or either of them.

7 (7) If any insurance or motor club service sold pursuant to this  
8 section is canceled due to the payment of all sums for which the buyer is  
9 liable under a loan contract, the holder of the loan contract shall, upon  
10 receipt of payment of all sums due, send notice to the buyer within  
11 fifteen business days after payment of the sums due of the name, address,  
12 and telephone number of the insurance company or motor club which issued  
13 the insurance contract or motor club service contract or the party  
14 responsible for any refund and notice that the buyer may be eligible for  
15 a refund. A copy of such notice shall be retained by the holder of the  
16 loan contract. This subsection does not apply if the holder of the loan  
17 contract previously credited the refund of the insurance premium or motor  
18 club service contract fee to the loan contract or otherwise refunded the  
19 insurance premium or motor club service contract fee to the buyer.

20 (8) The licensee shall, at the time the loan is made, give to the  
21 borrower, or if more than one, to one of them, a statement concerning any  
22 insurance procured by or through the licensee, which includes the amount  
23 of any premium which the borrower has paid or is obligated to pay, the  
24 expiration date of the policy, and a concise description of the risks  
25 insured. If a borrower procures insurance by or through a licensee, the  
26 licensee shall deliver to the borrower within fifteen days after the  
27 making of the loan an executed copy of the insurance policy or  
28 certificate of insurance.

29 **Sec. 34.** (1) Licensees holding an active installment loan license  
30 may make preauthorized loans. Preauthorized loan means a loan made by a  
31 licensee pursuant to an agreement between the licensee and the borrower

1 whereby:

2 (a) The licensee may permit the borrower to obtain advances of money  
3 from the licensee from time to time or the licensee may advance money on  
4 behalf of the borrower from time to time as directed by the borrower;

5 (b) The amount of each advance and permitted charge and cost is  
6 debited to the borrower's account and payments and other credits are  
7 credited to the same account;

8 (c) The charges are computed on the unpaid principal balance or  
9 balances of the account from time to time;

10 (d) The borrower has the privilege of paying the account in full at  
11 any time or, if the account is not in default, in monthly installments or  
12 fixed or determinable amounts as provided in the agreement; and

13 (e) The loan agreement expressly states that it covers preauthorized  
14 loans. Preauthorized loan does not mean a transaction, resulting in  
15 either a credit or a debit to the borrower's account, which is initiated  
16 by the use or application of a plastic, metal, or other type of credit or  
17 transaction card.

18 (2) For purposes of computations relating to preauthorized loans  
19 made pursuant to the Nebraska Installment Loan and Sales Act, billing  
20 cycle means the time interval between periodic billing dates. A billing  
21 cycle shall be considered monthly if the closing date of the cycle is the  
22 same date each month or does not vary by more than four days from such  
23 date.

24 **Sec. 35.** (1) A licensee may make preauthorized loans and may  
25 contract for and receive charges on such loans as set forth in subsection  
26 (1) of section 23 of this act, subject to the following requirements:

27 (a) A licensee shall not compound charges by adding any unpaid  
28 charges authorized by section 23 of this act or this section to the  
29 unpaid principal balance of the borrower's account, except that the  
30 unpaid principal balance may include additional charges for credit life  
31 insurance or credit disability insurance provided in connection with the

1 preauthorized loan, subject to the requirements and restrictions  
2 contained in section 36 of this act;

3 (b) Charges authorized by section 23 of this act or this section  
4 shall be deemed not to exceed the maximum charges permitted by such  
5 sections if such charges are computed in each billing cycle by any of the  
6 following methods:

7 (i) By converting each graduated monthly rate to a daily rate and  
8 multiplying such daily rate by the applicable portion of the daily unpaid  
9 principal balance of the account, in which case each daily rate is  
10 determined by multiplying the authorized monthly rate by twelve and  
11 dividing by three hundred sixty-five;

12 (ii) By multiplying each graduated monthly rate by the applicable  
13 portion of the average daily unpaid principal balance of the account in  
14 the billing cycle, in which case the average daily unpaid principal  
15 balance is the sum of the amount unpaid each day during the cycle divided  
16 by the number of days in the cycle; or

17 (iii) By converting each graduated monthly rate to a daily rate and  
18 multiplying such daily rate by the applicable portion of the average  
19 daily unpaid principal balance of the account in the billing cycle, in  
20 which case each daily rate is determined by multiplying the authorized  
21 monthly rate by twelve and dividing by three hundred sixty-five, and the  
22 average daily unpaid principal balance is the sum of the amount unpaid  
23 each day during the cycle divided by the number of days in the cycle; and

24 (c) For each method of computation set forth in this section, the  
25 billing cycle shall be monthly and the unpaid principal balance on any  
26 day shall be determined by adding to any balance unpaid as of the  
27 beginning of that day all advances and other permissible amounts charged  
28 to the borrower and deducting all payments and other credits made or  
29 received that day.

30 (2) The borrower under a preauthorized loan may at any time pay all  
31 or any part of the unpaid balance in his or her account, or, if the

1 account is not in default, the borrower may pay the unpaid principal  
2 balance in monthly installments. Minimum monthly payment requirements  
3 shall be determined by the licensee and set forth in the preauthorized  
4 loan agreement, except that the minimum monthly payment shall not be less  
5 than one and one-half percent of the average daily unpaid principal  
6 balance of an account having an average daily balance of more than three  
7 thousand dollars nor less than two percent of the average daily unpaid  
8 principal balance of an account having an average daily balance of three  
9 thousand dollars or less.

10 (3) A licensee may retain any security interest, including a  
11 mortgage on real property, until the preauthorized account is terminated.

12 (4) Subsection (4) of section 45-345, subsection (3) of section  
13 45-350, and section 31 of this act shall not apply to preauthorized  
14 loans.

15 (5) The department may approve record-keeping systems for licensees  
16 and may prescribe policies and procedures necessary to the administration  
17 of preauthorized loans made pursuant to the Nebraska Installment Loan and  
18 Sales Act.

19 **Sec. 36.** In addition to the charges permitted under section 35 of  
20 this act, a licensee may contract for and receive the fees, costs, and  
21 expenses permitted by the Nebraska Installment Loan and Sales Act on  
22 other loans, subject to all the conditions and restrictions set forth in  
23 the act with the following variations:

24 (1) If credit life or disability insurance is provided and if the  
25 insured dies or becomes disabled when there is an outstanding  
26 preauthorized loan indebtedness, the insurance shall be sufficient to pay  
27 the total balance of the loan due on the date of the borrower's death or  
28 the amount due as of the end of the previous billing cycle, whichever is  
29 less, in the case of credit life insurance, or all minimum payments which  
30 become due on the loan during the covered period of disability in the  
31 case of credit disability insurance. The additional charge for credit

1 life insurance or credit disability insurance shall be calculated in each  
2 billing cycle by applying the current monthly premium rate for such  
3 insurance, as such rate may be determined by the Director of Insurance,  
4 to the unpaid balances in the borrower's account, using either of the  
5 methods specified in section 35 of this act for the calculation of loan  
6 charges;

7 (2) No credit life or disability insurance written in connection  
8 with a preauthorized loan shall be canceled by the licensee because of  
9 delinquency of the borrower in the making of the required minimum  
10 payments on the loan unless one or more of such payments is past due for  
11 a period of ninety days or more, and the licensee shall advance to the  
12 insurer the amounts required to keep the insurance in force during such  
13 period, which amounts may be debited to the borrower's account;

14 (3) The department may, by rule and regulation or order, require a  
15 statement of insurance that will be appropriate for preauthorized loans  
16 in lieu of that required by section 33 of this act; and

17 (4) The amount, terms, and conditions of any insurance against loss  
18 or damage to property must be reasonable in relation to the character and  
19 value of the property insured and the maximum anticipated amount of  
20 credit to be extended.

21 **Sec. 37.** (1) For purposes of this section, reverse-mortgage loan  
22 means a loan made by a licensee which (a) is secured by residential real  
23 estate, (b) is nonrecourse to the borrower except in the event of fraud  
24 by the borrower or waste to the residential real estate given as security  
25 for the loan, (c) provides cash advances to the borrower based upon the  
26 equity in the borrower's owner-occupied principal residence, (d) requires  
27 no payment of principal or interest until the entire loan becomes due and  
28 payable, and (e) otherwise complies with the terms of this section.

29 (2) Reverse-mortgage loans shall be governed by the following rules  
30 without regard to the requirements set out elsewhere for other types of  
31 mortgage transactions: (a) Payment in whole or in part is permitted

1 without penalty at any time during the period of the loan; (b) an advance  
2 and interest on the advance have priority over a lien filed after the  
3 closing of a reverse-mortgage loan; (c) an interest rate may be fixed or  
4 adjustable and may also provide for interest that is contingent on  
5 appreciation in the value of the residential real estate; and (d) the  
6 advance shall not be reduced in amount or number based on an adjustment  
7 in the interest rate when a reverse-mortgage loan provides for periodic  
8 advances to a borrower.

9       (3) Reverse-mortgage loans may be made or acquired without regard to  
10 the following provisions for other types of mortgage transactions: (a)  
11 Limitations on the purpose and use of future advances or any other  
12 mortgage proceeds; (b) limitations on future advances to a term of years  
13 or limitations on the term of credit line advances; (c) limitations on  
14 the term during which future advances take priority over intervening  
15 advances; (d) requirements that a maximum mortgage amount be stated in  
16 the mortgage; (e) limitations on loan-to-value ratios; (f) prohibitions  
17 on balloon payments; (g) prohibitions on compounded interest and interest  
18 on interest; and (h) requirements that a percentage of the loan proceeds  
19 must be advanced prior to loan assignment.

20       (4) A licensee may, in connection with a reverse-mortgage loan,  
21 charge to the borrower (a) a nonrefundable loan origination fee which  
22 does not exceed two percent of the appraised value of the owner-occupied  
23 principal residence at the time the loan is made, (b) a reasonable fee  
24 paid to third parties originating loans on behalf of the licensee, and  
25 (c) such other fees as are necessary and required, including fees for  
26 inspections, insurance, appraisals, and surveys.

27       (5) Licensees failing to make loan advances as required in the loan  
28 documents and failing to cure the default as required in the loan  
29 documents shall forfeit an amount equal to the greater of two hundred  
30 dollars or one percent of the amount of the loan advance the licensee  
31 failed to make.

1           **Sec. 38.**   (1) Each retail installment sales contract shall be in  
2 writing, shall be signed by both the buyer and the seller, and shall  
3 contain the following items, and a copy thereof shall be delivered to the  
4 buyer at the time the instrument is signed, except for contracts made in  
5 conformance with subdivision (5)(c) of section 45-336:

6           (a) The cash sale price;

7           (b) The amount of the buyer's downpayment, and whether made in money  
8 or goods, or partly in money and partly in goods, including a brief  
9 description of any goods traded in;

10          (c) The difference between subdivisions (a) and (b) of this  
11 subsection;

12          (d) The amount included for insurance if a separate charge is made  
13 therefor, specifying the types of coverages;

14          (e) The amount included for a debt cancellation contract or a debt  
15 suspension contract if the debt cancellation contract or debt suspension  
16 contract is a contract of a financial institution or licensee, such  
17 contract is sold directly by such financial institution or licensee or by  
18 an unaffiliated, nonexclusive agent of such financial institution or  
19 licensee in accordance with 12 C.F.R. part 37, as such part existed on  
20 January 1, 2025, and the financial institution or licensee is responsible  
21 for the unaffiliated, nonexclusive agent's compliance with such part, and  
22 a separate charge is made therefor;

23          (f) The amount included for electronic title and lien services other  
24 than fees and charges prescribed by law which actually are or will be  
25 paid to public officials for determining the existence of or for  
26 perfecting, releasing, or satisfying any security related to the credit  
27 transaction;

28          (g) The basic time price, which is the sum of subdivisions (c), (d),  
29 (e), and (f) of this subsection;

30          (h) The time-price differential;

31          (i) The amount of the time-price balance, which is the sum of



1 subdivisions (g) and (h) of this subsection, payable in installments by  
2 the buyer to the seller;

3 (j) The number, amount, and due date or period of each installment;

4 (k) The time-sales price; and

5 (1) The amount included for a guaranteed asset protection waiver.

6 (2) The contract shall contain substantially the following notice:

7 NOTICE TO THE BUYER. DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF  
8 IT CONTAINS BLANK SPACES. YOU ARE ENTITLED TO A COPY OF THE CONTRACT YOU  
9 SIGN.

10 (3) The items listed in subsection (1) of this section need not be  
11 stated in the sequence or order set forth in such subsection. Additional  
12 items may be included to explain the computations made in determining the  
13 amount to be paid by the buyer. No installment sales contract shall be  
14 signed by the buyer or proffered by the seller when it contains blank  
15 spaces to be filled in after execution, except that if delivery of the  
16 goods or services is not made at the time of the execution of the  
17 contract, the identifying numbers or marks of the goods, or similar  
18 information, and the due date of the first installment may be inserted in  
19 the contract after its execution.

20 (4) If a seller proffers an installment sales contract as part of a  
21 transaction which delays or cancels, or promises to delay or cancel, the  
22 payment of the time-price differential on the contract if the buyer pays  
23 the basic time price, cash price, or cash sale price within a certain  
24 period of time, the seller shall, in clear and conspicuous writing,  
25 either within the installment sales contract or in a separate document,  
26 inform the buyer of the exact date by which the buyer must pay the basic  
27 time price, cash price, or cash sale price in order to delay or cancel  
28 the payment of the time-price differential. The seller or any subsequent  
29 purchaser of the installment sales contract, including a sales finance  
30 company, shall not be allowed to change such date.

31 (5) Upon written request from the buyer, the holder of an

1 installment sales contract shall give or forward to the buyer a written  
2 statement of the dates and amounts of payments and the total amount  
3 unpaid under such contract. A buyer shall be given a written receipt for  
4 any payment when made in cash.

5 (6) After payment of all sums for which the buyer is obligated under  
6 a contract, the holder shall deliver or mail to the buyer at his or her  
7 last-known address one or more good and sufficient instruments or copies  
8 thereof to acknowledge payment in full and shall release all security in  
9 the goods and mark canceled and return to the buyer the original  
10 agreement or copy thereof or instruments or copies thereof signed by the  
11 buyer. For purposes of this section, a copy shall meet the requirements  
12 of section 25-12,112.

13 **Sec. 39.** (1)(a) Notwithstanding the provisions of any other law,  
14 the time-price differential for any goods or services sold under an  
15 installment sales contract shall be stated as a fixed or variable annual  
16 percentage rate and shall be at a rate agreed to in writing, not to  
17 exceed eighteen percent per annum, except that a minimum time-price  
18 differential of ten dollars may be charged on any installment sales  
19 contract.

20 (b) Origination fees may be required to be made by the buyer,  
21 subject to the following requirements:

22 (i) A buyer may be required, upon the execution of the installment  
23 sales contract, to pay an origination fee in an amount not to exceed ten  
24 dollars, except that if the installment sales contract is for an  
25 installment sale of agricultural machinery or equipment for use in  
26 commercial agriculture or if the installment sales contract is for an  
27 installment sale of industrial machinery or equipment the buyer may be  
28 required to pay (A) an origination fee of not to exceed one hundred  
29 dollars if the cash sale price is less than twenty-five thousand dollars  
30 or (B) an origination fee of not to exceed two hundred fifty dollars, if  
31 the cash sale price is twenty-five thousand dollars or more; and

1        (ii) The origination fee shall be refundable if the installment  
2 sales contract is canceled during the first thirty days. The origination  
3 fee may be collected from the buyer or included in the principal balance  
4 of the installment sales contract at the time the contract is made and  
5 shall not be considered interest or a time-price differential.

6        (c) Nothing in the Nebraska Installment Loan and Sales Act prohibits  
7 a seller or holder of an installment sales contract from contracting for,  
8 computing, and charging a time-price differential based upon the  
9 application of the rate charged to the unpaid principal balance for the  
10 number of days actually elapsed. The charges so computed shall be used  
11 for the purpose of calculating the time-price differential, the time-  
12 price balance, the amount of each installment, and the time-sale price.

13        (d) When the installment sales contract is payable in substantially  
14 equal and consecutive monthly installments, the time-price differential  
15 shall be computed on the basic time price of each contract, as determined  
16 under section 38 of this act, from the date of the contract until the due  
17 date of the final installment, notwithstanding that the time-price  
18 balance is required to be paid in installments.

19        (2) When an installment sales contract provides for payment other  
20 than in substantially equal and consecutive monthly installments, the  
21 time-price differential may be at a rate which will provide the same  
22 return as is permitted on substantially equal monthly payment contracts  
23 under subdivision (1)(d) of this section, having due regard for the  
24 schedule of payments.

25        (3) Every contract payable in two or more installments shall provide  
26 for payment of such installments by stating the date and amount of each  
27 installment or the method by which any variable rate or installment shall  
28 be determined.

29        **Sec. 40.** (1) The amount, if any, included for insurance, which may  
30 be purchased by the holder of the contract, shall not exceed the  
31 applicable premium rates chargeable in accordance with filings, if any,

1 with the Department of Insurance. If dual interest insurance on the goods  
2 is purchased by the holder, it shall, within thirty days after execution  
3 of the installment sales contract, send or cause to be sent to the buyer  
4 a policy or policies or certificate of insurance, written by an insurance  
5 company authorized to do business in this state, clearly setting forth  
6 the amount of the premium, the kind or kinds of insurance, the coverages,  
7 and all the terms and conditions of the contract or contracts of  
8 insurance.

9       (2) If any insurance is canceled or the premium adjusted during the  
10 term of the installment sales contract, any refund of the insurance  
11 premium plus the unearned time-price differential thereon received by the  
12 holder shall be credited by the holder to the last maturing installment  
13 of the contract except to the extent applied toward payment for similar  
14 insurance protecting the interests of the buyer and the holder or either  
15 of them.

16       (3) If any insurance is canceled due to the payment of all sums for  
17 which the buyer is liable under an installment sales contract, the holder  
18 of the installment sales contract shall, upon receipt of payment of all  
19 sums due, send notice to the buyer within fifteen business days of the  
20 name, address, and telephone number of the insurance company which issued  
21 the insurance contract or the party responsible for any refund, and  
22 notice that the buyer may be eligible for a refund. A copy of such notice  
23 shall be retained by the holder of the installment sales contract. This  
24 subsection does not apply if the holder of the loan contract previously  
25 credited the refund of the insurance premium to the loan contract or  
26 otherwise refunded the insurance premium to the buyer.

27       (4) The holder may also purchase nonfiling insurance and charge a  
28 reasonable fee. The fee shall not exceed the amount of fees and charges  
29 prescribed by law which would have been paid to public officials for  
30 filing, perfecting, releasing, and satisfying any lien or security  
31 interest in the goods or services.

1           **Sec. 41.** (1) Notwithstanding the provisions of any contract to the  
2 contrary, any buyer may prepay in full at any time before maturity the  
3 obligation of any contract.

4           (2) If such obligation is prepaid in full by cash, a new loan, or  
5 otherwise after the first installment due date, the borrower shall  
6 receive a rebate of an amount which shall be not less than the amount  
7 obtained by applying to the unpaid principal balances as originally  
8 scheduled or, if deferred, as deferred, for the period following  
9 prepayment, according to the actuarial method, the rate of the time-price  
10 differential previously stated to the borrower. The licensee may round  
11 the rate of the time-price differential to the nearest one-half of one  
12 percent if such procedure is not consistently used to obtain a greater  
13 yield than would otherwise be permitted. Any default and deferment  
14 charges which are due and unpaid may be deducted from any rebate. No  
15 rebate shall be required for any partial prepayment. No rebate of less  
16 than one dollar need be made. Acceleration of the maturity of the  
17 contract shall not in itself require a rebate. If judgment is obtained  
18 before the final installment date, the contract balance shall be reduced  
19 by the rebate which would be required for prepayment in full as of the  
20 date judgment is obtained.

21           **Sec. 42.** (1) Where a buyer makes any subsequent purchases of goods  
22 or services from a seller from whom such buyer has previously purchased  
23 goods or services under one or more installment sales contracts and the  
24 amounts under such contract or contracts to the extent of cash sale price  
25 thereof have not been fully paid, the subsequent purchases may be  
26 included in and consolidated with one or more of the prior contract or  
27 contracts. A memorandum of such additional purchases shall be prepared by  
28 the seller and inserted in or attached to the seller's counterpart of the  
29 contract and shall set forth:

30           (a) The names of the seller and the buyer and a description of the  
31 additional goods or services sold and all the information with respect to

1 the additional purchase required by section 38 of this act to be included  
2 in an installment sales contract;

3 (b) The consolidated time-price balance to be paid by the buyer; and

4 (c) The revised payments.

5 (2) A copy of such memorandum shall be delivered to the buyer as  
6 provided in and subject to section 38 of this act. When such subsequent  
7 purchases are made, the entire amount of all payments made prior to such  
8 subsequent purchases shall be deemed to have been applied on previous  
9 purchases.

10 (3) Each payment thereafter made on a consolidated installment sales  
11 contract shall be deemed to be allocated to all of the various purchases  
12 in the same ratio or proportion as the original cash sale prices of the  
13 various purchases bear to one another. Where the amount of each deferred  
14 payment is increased in connection with such subsequent purchase, the  
15 subsequent payments, at the seller's option, may be deemed to be  
16 allocated as follows: An amount equal to the original installment payment  
17 to the previous purchase, the balance to the subsequent purchase. The  
18 amount of any initial payment or downpayment on the subsequent purchase  
19 shall be allocated in its entirety to such subsequent purchase. This  
20 section shall not apply to cases involving equipment, parts, or other  
21 merchandise attached or affixed to goods previously purchased, or to  
22 repairs or services in connection therewith rendered by the seller at the  
23 buyer's request.

24 **Sec. 43.** (1) An installment sales contract may provide and the  
25 holder thereof may collect, in addition to any time-price differential, a  
26 delinquency charge on each installment in default for a period of not  
27 less than fifteen days, if provided for in the contract, not in excess of  
28 five percent of each installment or twenty-five dollars, whichever is  
29 less, or, in lieu thereof, interest after maturity on each such  
30 installment not exceeding the highest permissible contract rate. If the  
31 time-price differential is computed by application of the rate charged to

1 the unpaid principal balance for the number of days actually elapsed,  
2 such delinquency charge may not exceed five percent of each installment  
3 or twenty-five dollars, whichever is less. If any installment payment is  
4 made by a check, draft, or similar signed order which is not honored  
5 because of insufficient funds, no account, or any other reason except an  
6 error of a third party to the contract, the holder may charge and collect  
7 a fee of not more than fifteen dollars. The delinquency charge and such  
8 fee may be collected when due or at any time thereafter.

9 (2) When an installment sales contract is for a commercial or  
10 business purpose (a) a delinquency charge not to exceed five percent of  
11 each unpaid installment may be contracted for and received and (b) the  
12 holder of any check or draft or similar order which is not honored for  
13 any reason, except for error of a third party, may charge and collect a  
14 fee as stated in the contract. As used in this section, commercial or  
15 business purpose means primarily for a purpose other than a personal,  
16 family, or household purpose.

17 **Sec. 44.** The holder of a retail installment sales contract may,  
18 upon agreement with the buyer:

19 (1) Extend the scheduled due date or defer the scheduled payment of  
20 any installment payment under the retail installment sales contract; and

21 (2) Charge and collect a reasonable flat service fee for such  
22 extension or deferment in addition to the time-price differential  
23 calculated for the period of such extension or deferment at the rate  
24 originally agreed upon in the retail installment sales contract on the  
25 outstanding balance.

26 **Sec. 45.** (1) If any seller or sales finance company, in the making  
27 or collection of an installment sales contract, shall, directly or  
28 indirectly, contract for, take, or receive charges in excess of those  
29 authorized by the Nebraska Installment Loan and Sales Act except as a  
30 result of an accidental and bona fide error, such contract shall be void  
31 and uncollectible as to (a) all of the excessive portion of the time-

1 price differential, (b) the first one thousand dollars of the time-price  
2 differential authorized by section 39 of this act, and (c) the first four  
3 thousand dollars of the principal of the contract.

4 (2) If any seller or sales finance company violates any provision of  
5 the act, other than the violations described in subsection (1) of this  
6 section, except as a result of an accidental and bona fide error, such  
7 installment sales contract shall be void and uncollectible as to the  
8 first five hundred dollars of the time-price differential and the first  
9 one thousand dollars of the principal of such contract. If any of such  
10 money has been paid by the buyer, such buyer or his or her assignee may  
11 recover under the act in a civil suit brought within one year after the  
12 due date, or any extension thereof, of the last installment of the  
13 contract.

14 **Sec. 46.** (1) A licensee shall not refuse to enter into a loan or  
15 impose finance charges or other terms or conditions of credit more  
16 onerous than those regularly extended by that licensee to borrowers of  
17 similar economic backgrounds because of the age, color, creed, national  
18 origin, political affiliation, race, religion, sex, marital status, or  
19 disability of the borrower or because the borrower receives public  
20 assistance, social security benefits, pension benefits, or the like.

21 (2) No licensee shall conduct the business of making loans under the  
22 Nebraska Installment Loan and Sales Act within any office, room, or place  
23 of business in which any other business is solicited or engaged in, or in  
24 association or conjunction with any other business, if the director finds  
25 that the other business is of such nature that the conducting of such  
26 other business tends to conceal evasion of the act or of the rules and  
27 regulations adopted and promulgated under the act. In such case, the  
28 director shall order such licensee in writing to cease and desist from  
29 such conduct.

30 (3) No licensee shall, directly or indirectly, require a borrower as  
31 a condition of granting a loan to such borrower to reaffirm or otherwise



1 obligate the borrower to pay a former debt to the licensee which has been  
2 discharged in bankruptcy proceedings.

3 (4) Any person who makes a false statement to secure a loan is  
4 guilty of a Class III misdemeanor. The punishment shall not be exacted,  
5 however, when such a loan is made after the licensee is aware of the  
6 falsity of the statement.

7 (5) No licensee or other person subject to the Nebraska Installment  
8 Loan and Sales Act shall advertise, print, display, publish, distribute,  
9 or broadcast or cause or permit to be advertised, printed, displayed,  
10 published, distributed, or broadcast in any manner whatsoever any false,  
11 misleading, or deceptive statement or representation with regard to the  
12 rates, terms, or conditions for the lending of money, credit, goods, or  
13 things in action. The director may order any licensee to cease and desist  
14 from any conduct which he or she finds to be a violation of this section.  
15 The director may require that rates of charge, if stated by a licensee,  
16 be stated fully and clearly in such manner as the director deems  
17 necessary to prevent misunderstanding by prospective borrowers.

18 (6) No loan, made outside this state, in the amount or of the value  
19 of three thousand dollars or less, for which a greater rate of interest,  
20 consideration, or charges than is permitted by section 45-350 has been  
21 charged, contracted for, or received, shall be enforced in this state.  
22 Every person participating in such loan in this state is subject to the  
23 Nebraska Installment Loan and Sales Act, except that the act shall not  
24 apply to loans legally made in any state under and in accordance with a  
25 regulatory small loan law similar in principle to such act.

26 (7) In connection with the collection of any loan, a licensee may  
27 not:

28 (a) Use or threaten to use violence;

29 (b) Use obscene or profane language;

30 (c) Cause a telephone to ring or engage a person in telephone  
31 conversation at times known to be inconvenient to the borrower;

1       (d) Falsely represent the character, amount, or legal status of any  
2 debt;

3       (e) Falsely represent that an individual is an attorney when he or  
4 she is not;

5       (f) Falsely represent that nonpayment of any debt will result in the  
6 arrest or imprisonment of the borrower or any member of the borrower's  
7 household;

8       (g) Threaten to take any action that the licensee knows cannot  
9 legally be taken at the time the threat is made;

10       (h) Falsely represent that the borrower committed any crime when the  
11 borrower did not;

12       (i) Communicate or threaten to communicate to any person credit  
13 information which is known to be false;

14       (j) Use or distribute any written communication which falsely  
15 represents that it is a document authorized, issued, or approved by any  
16 court, official, or agency of the United States or any state;

17       (k) Charge or collect any fees, charges, or expenses, incidental to  
18 the collection of any loan, unless such amount is expressly authorized by  
19 the loan agreement or permitted by law;

20       (l) Accept from any person a check or other payment instrument  
21 postdated by more than five days unless such person is notified in  
22 writing of the licensee's intent to deposit such check or instrument not  
23 more than ten nor less than three business days prior to such deposit;

24       (m) Solicit any postdated check or other postdated payment  
25 instrument for the purpose of threatening or instituting criminal  
26 prosecution;

27       (n) Deposit or threaten to deposit any postdated check prior to the  
28 date on such check;

29       (o) Cause charges to be made to any person for communications by  
30 concealment of the true purpose of the communication, including, but not  
31 limited to, collect telephone calls and telegram fees;

- 1       (p) Communicate with a borrower regarding a debt by postcard; or
- 2       (q) Communicate with a borrower at the borrower's place of
- 3 employment if the licensee has received actual notice that the borrower's
- 4 employer prohibits the borrower from receiving such communication.

5       **Sec. 47.** (1) The department shall require licensees to be licensed  
6 and registered through the Nationwide Mortgage Licensing System and  
7 Registry. In order to carry out this requirement, the department is  
8 authorized to participate in the Nationwide Mortgage Licensing System and  
9 Registry. For this purpose, the department may establish, by adopting and  
10 promulgating rules and regulations or by order, requirements as  
11 necessary. The requirements may include, but not be limited to:

12       (a) Background checks of applicants and licensees, including, but  
13 not limited to:

14       (i) Fingerprints of every executive officer, director, partner,  
15 member, sole proprietor, or shareholder submitted to the Federal Bureau  
16 of Investigation and any other governmental agency or entity authorized  
17 to receive such information for a state, national, and international  
18 criminal history record information check;

19       (ii) Civil or administrative records;

20       (iii) Credit history; or

21       (iv) Any other information as deemed necessary by the Nationwide  
22 Mortgage Licensing System and Registry;

23       (b) The payment of fees to apply for or renew a license through the  
24 Nationwide Mortgage Licensing System and Registry;

25       (c) Compliance with prelicensure education and testing and  
26 continuing education;

27       (d) The setting or resetting, as necessary, of renewal processing or  
28 reporting dates; and

29       (e) Amending or surrendering a license or any other such activities  
30 as the director deems necessary for participation in the Nationwide  
31 Mortgage Licensing System and Registry.

1       (2) In order to fulfill the purposes of the Nebraska Installment  
2 Loan and Sales Act, the department is authorized to establish  
3 relationships or contracts with the Nationwide Mortgage Licensing System  
4 and Registry or other entities designated by the Nationwide Mortgage  
5 Licensing System and Registry to collect and maintain records and process  
6 transaction fees or other fees related to licensees or other persons  
7 subject to the act. The department may allow such system to collect  
8 licensing fees on behalf of the department and allow such system to  
9 collect a processing fee for the services of the system directly from  
10 each licensee or applicant for a license.

11       (3) The director is required to regularly report violations of the  
12 act pertaining to residential mortgage loans, as defined in section  
13 45-702, as well as enforcement actions and other relevant information, to  
14 the Nationwide Mortgage Licensing System and Registry subject to the  
15 provisions contained in this section.

16       (4) The director shall establish a process whereby applicants and  
17 licensees may challenge information entered into the Nationwide Mortgage  
18 Licensing System and Registry by the director.

19       (5) The department shall ensure that the Nationwide Mortgage  
20 Licensing System and Registry adopts a privacy, data security, and  
21 security breach notification policy. The director shall make available  
22 upon written request a copy of the contract between the department and  
23 the Nationwide Mortgage Licensing System and Registry pertaining to the  
24 breach of security of the system provisions.

25       (6) The department shall upon written request provide the most  
26 recently available audited financial report of the Nationwide Mortgage  
27 Licensing System and Registry.

28       (7) The director may use the Nationwide Mortgage Licensing System  
29 and Registry as a channeling agent for requesting information from and  
30 distributing information to the United States Department of Justice or  
31 any other governmental agency in order to reduce the points of contact

1 which the Federal Bureau of Investigation may have to maintain for  
2 purposes of subsection (1) of this section.

3 (8) In order to promote more effective regulation and reduce the  
4 regulatory burden through supervisory information sharing:

5 (a) Except as otherwise provided in this section, the requirements  
6 under any federal or state law regarding the privacy or confidentiality  
7 of any information or material provided to the Nationwide Mortgage  
8 Licensing System and Registry, and any privilege arising under federal or  
9 state law, including the rules of any federal or state court, with  
10 respect to such information or material, shall continue to apply to such  
11 information or material after the information or material has been  
12 disclosed to the Nationwide Mortgage Licensing System and Registry. Such  
13 information and material may be shared with all federal and state  
14 regulatory officials with mortgage industry oversight authority without  
15 the loss of privilege or the loss of confidentiality protections provided  
16 by federal or state law;

17 (b) Information or material that is subject to a privilege or  
18 confidentiality under subdivision (8)(a) of this section shall not be  
19 subject to:

20 (i) Disclosure under any federal or state law governing the  
21 disclosure to the public of information held by an officer or an agency  
22 of the federal government or the respective state; or

23 (ii) Subpoena or discovery, or admission into evidence, in any  
24 private civil action or administrative process, unless with respect to  
25 any privilege held by the Nationwide Mortgage Licensing System and  
26 Registry with respect to such information or material, the person to whom  
27 such information or material pertains waives, in whole or in part, in the  
28 discretion of such person, that privilege;

29 (c) Any state statute relating to the disclosure of confidential  
30 supervisory information or any information or material described in  
31 subdivision (1)(a) of this section that is inconsistent with such

1 subdivision shall be superseded by the requirements of this section; and

2 (d) This section shall not apply with respect to the information or  
3 material relating to the employment history of, and publicly adjudicated  
4 disciplinary and enforcement actions against, applicants and licensees  
5 that is included in the Nationwide Mortgage Licensing System and Registry  
6 for access by the public.

7 (9) For these purposes, the director is authorized to enter into  
8 agreements or sharing arrangements with other governmental agencies, the  
9 Conference of State Bank Supervisors, the American Association of  
10 Residential Mortgage Regulators, or other associations representing  
11 governmental agencies as established by adopting and promulgating rules  
12 and regulations or an order of the director.

13 **Sec. 48.** The director may adopt and promulgate rules and  
14 regulations and issue orders, rulings, demands, and findings to carry out  
15 the purposes of the Nebraska Installment Loan and Sales Act.

16 **Sec. 49.** Any person violating subsection (4) of section 45-345,  
17 section 23 of this act, section 45-356, or section 33 of this act is  
18 guilty of a Class II misdemeanor. If, in the making of, or collection on,  
19 any loan contract, any act is done which constitutes a Class II  
20 misdemeanor under this section, that loan shall not be void, but the  
21 licensee shall have no right to collect or receive any interest or  
22 charges whatsoever. If any interest or other charges have been collected,  
23 the licensee shall forfeit and refund to the borrower all interest and  
24 other charges collected on the loan involved and shall not collect  
25 thereafter any interest or other charges contracted for and thereafter  
26 due on the loan involved, as liquidated damages, and the licensee or its  
27 assignee, if found liable, shall pay the costs of any action relating  
28 thereto, including reasonable attorney's fees. No licensee shall be found  
29 liable under this section if the licensee shows by a preponderance of the  
30 evidence that the violation was not intentional and resulted from a bona  
31 fide error notwithstanding the maintenance of procedures reasonably

1 adopted to avoid any such error.

2       **Sec. 50.** Any violation of section 46 of this act, in connection  
3 with any loan transaction, however acquired, shall not render the  
4 indebtedness, any interest, or other charges void or uncollectible. In an  
5 action, other than a class action, the borrower may recover from the  
6 licensee violating section 46 of this act an award of liquidated damages  
7 in an amount determined by the court, but not less than five hundred  
8 dollars nor more than one thousand dollars. In any legal action brought  
9 pursuant to this section in which the licensee is found liable, the court  
10 shall award costs and reasonable attorneys' fees to the borrower. A  
11 licensee is not liable under this section if the licensee notifies the  
12 borrower of an error before the licensee receives from the borrower  
13 written notice of the error or before the borrower has brought an action  
14 under this section and the licensee corrects the error within thirty days  
15 after notifying the borrower. A licensee may not be held liable in any  
16 action brought under this section if the licensee shows by a  
17 preponderance of evidence that the violation was not intentional and  
18 resulted from a bona fide error notwithstanding the maintenance of  
19 procedures reasonably adapted to avoid the error.

20       **Sec. 51.** Whenever the director has reasonable cause to believe that  
21 any person is violating or is threatening to or intends to violate the  
22 Nebraska Installment Loan and Sales Act, the director may, in addition to  
23 any action provided in the act and without prejudice thereto, enter an  
24 order requiring such person to cease and desist or to refrain from such  
25 violation. An action may also be brought, on the relation of the Attorney  
26 General and the director, to enjoin such person from engaging in or  
27 continuing such violation or from doing any act or acts in furtherance of  
28 such violation. In any such action, an order or judgment may be entered  
29 awarding such preliminary or final injunction as may be deemed proper. In  
30 addition to all other means provided by law for the enforcement of a  
31 restraining order or injunction, the court, in which such action is

1 brought, has power and jurisdiction to impound and appoint a receiver for  
2 the property and business of the defendant, including books, papers,  
3 documents, and records pertaining thereto or so much thereof as the court  
4 may deem reasonably necessary to prevent violations of the Nebraska  
5 Installment Loan and Sales Act through or by means of the use of such  
6 property and business. Such receiver, when so appointed and qualified,  
7 has such powers and duties as to custody, collection, administration,  
8 winding up, and liquidation of such property and business as shall, from  
9 time to time, be conferred upon the receiver by the court.

10 **Sec. 52.** (1) The department may order any person to cease and  
11 desist whenever the department determines that the person has violated  
12 any provision of the Nebraska Installment Loan and Sales Act. Upon entry  
13 of a cease and desist order, the director shall promptly notify the  
14 affected person that such order has been entered, of the reasons for such  
15 order, and that upon receipt, within fifteen business days after the date  
16 of the order, of written request from the affected person a hearing will  
17 be scheduled within thirty business days after the date of receipt of the  
18 written request unless the parties consent to a later date or the hearing  
19 officer sets a later date for good cause. If a hearing is not requested  
20 and none is ordered by the director, the order shall remain in effect  
21 until it is modified or vacated.

22 (2) The director may vacate or modify a cease and desist order if he  
23 or she finds that the conditions which caused its entry have changed or  
24 that it is otherwise in the public interest to do so.

25 (3) A person aggrieved by a cease and desist order of the director  
26 may obtain judicial review of the order in the manner prescribed in the  
27 Administrative Procedure Act and the rules and regulations adopted and  
28 promulgated by the department under the act. The director may obtain an  
29 order from the district court of Lancaster County for the enforcement of  
30 the cease and desist order.

31 (4) A person who violates a cease and desist order of the director



1 may, after notice and hearing and upon further order of the director, be  
2 subject to a penalty of not more than five thousand dollars for each act  
3 in violation of the cease and desist order. The department shall remit  
4 finances collected under this section to the State Treasurer for  
5 distribution in accordance with Article VII, section 5, of the  
6 Constitution of Nebraska.

7       **Sec. 53.** (1) The director may, following a hearing under the  
8 Administrative Procedure Act, impose an administrative fine against any  
9 officer, director, shareholder, partner, or member of a licensee, if the  
10 director finds the licensee or any such person participated in or had  
11 knowledge of any act prohibited by the Nebraska Installment Loan and  
12 Sales Act or otherwise violated the act. Such administrative fine shall  
13 be in addition to or separate from any fine imposed against a licensee  
14 pursuant to section 45-346.

15       (2) If the director finds, after notice and hearing in accordance  
16 with the Administrative Procedure Act, that any person has knowingly  
17 committed any act prohibited by section 46 of this act or otherwise  
18 violated the Nebraska Installment Loan and Sales Act or any rule and  
19 regulation or order adopted thereunder, the director may order such  
20 person to pay (a) an administrative fine of not more than five thousand  
21 dollars for each separate violation and (b) the costs of investigation.

22       (3) If a person fails to pay an administrative fine and the costs of  
23 investigation ordered pursuant to this section, a lien in the amount of  
24 such fine and costs may be imposed upon all assets and property of such  
25 person in this state and may be recovered in a civil action by the  
26 director. The lien shall attach to the real property of such person when  
27 notice of the lien is filed and indexed against the real property in the  
28 office of the register of deeds in the county where the real property is  
29 located. The lien shall attach to any other property of such person when  
30 notice of the lien is filed against the property in the manner prescribed  
31 by law. Failure of the person to pay such fine and costs shall constitute

1 a separate violation of the act.

2 (4) The department shall remit fines collected under this section to  
3 the State Treasurer for distribution in accordance with Article VII,  
4 section 5, of the Constitution of Nebraska.

5 **Sec. 54.** All original license fees, annual renewal fees,  
6 investigation and examination fees, charges, and costs collected by or  
7 paid to the department pursuant to the Nebraska Installment Loan and  
8 Sales Act shall be remitted to the State Treasurer for credit to the  
9 Financial Institution Assessment Cash Fund and shall be available for the  
10 uses and purposes of the fund.

11 **Sec. 55.** Section 45-702, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 45-702 For purposes of the Residential Mortgage Licensing Act:

14 (1) Borrower means the mortgagor or mortgagors under a real estate  
15 mortgage or the trustor or trustors under a trust deed;

16 (2) Branch office means any location at which the business of a  
17 mortgage banker or mortgage loan originator is to be conducted, including  
18 (a) any offices physically located in Nebraska, (b) any offices that,  
19 while not physically located in this state, intend to transact business  
20 with Nebraska residents, and (c) any third-party or home-based locations  
21 that mortgage loan originators, agents, and representatives intend to use  
22 to transact business with Nebraska residents;

23 (3) Breach of security of the system means unauthorized acquisition  
24 of data that compromises the security, confidentiality, or integrity of  
25 the information maintained by the Nationwide Mortgage Licensing System  
26 and Registry, its affiliates, or its subsidiaries;

27 (4) Clerical or support duties means tasks which occur subsequent to  
28 the receipt of a residential mortgage loan application including (a) the  
29 receipt, collection, distribution, and analysis of information common for  
30 the processing or underwriting of a residential mortgage loan or (b)  
31 communication with a consumer to obtain the information necessary for the

1 processing or underwriting of a residential mortgage loan, to the extent  
2 that such communication does not include offering or negotiating loan  
3 rates or terms or counseling consumers about residential mortgage loan  
4 rates or terms;

5 (5) Control means the power, directly or indirectly, to direct the  
6 management or policies of a mortgage banking business, whether through  
7 ownership of securities, by contract, or otherwise. Any person who (a) is  
8 a director, a general partner, or an executive officer, including the  
9 president, chief executive officer, chief financial officer, chief  
10 operating officer, chief legal officer, chief compliance officer, and any  
11 individual with similar status and function, (b) directly or indirectly  
12 has the right to vote ten percent or more of a class of voting security  
13 or has the power to sell or direct the sale of ten percent or more of a  
14 class of voting securities, (c) in the case of a limited liability  
15 company, is a managing member, or (d) in the case of a partnership, has  
16 the right to receive, upon dissolution, or has contributed, ten percent  
17 or more of the capital, is presumed to control that mortgage banking  
18 business;

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

20 (7) Depository institution means any person (a) organized or  
21 chartered under the laws of this state, any other state, or the United  
22 States relating to banks, savings institutions, trust companies, savings  
23 and loan associations, credit unions, or industrial banks or similar  
24 depository institutions which the Board of Directors of the Federal  
25 Deposit Insurance Corporation finds to be operating substantially in the  
26 same manner as an industrial bank and (b) engaged in the business of  
27 receiving deposits other than funds held in a fiduciary capacity,  
28 including, but not limited to, funds held as trustee, executor,  
29 administrator, guardian, or agent;

30 (8) Director means the Director of Banking and Finance;

31 (9) Dwelling means a residential structure located or intended to be

1 located in this state that contains one to four units, whether or not  
2 that structure is attached to real property, including an individual  
3 condominium unit, cooperative unit, mobile home, or trailer, if it is  
4 used as a residence;

5 (10) Federal banking agencies means the Board of Governors of the  
6 Federal Reserve System, the Office of the Comptroller of the Currency,  
7 the Consumer Financial Protection Bureau, the National Credit Union  
8 Administration, and the Federal Deposit Insurance Corporation;

9 (11) Immediate family member means a spouse, child, sibling, parent,  
10 grandparent, or grandchild, including stepparents, stepchildren,  
11 stepsiblings, and adoptive relationships;

12 (12) Installment loan company means any person that has been issued  
13 an installment loan license ~~licensed~~ pursuant to the Nebraska Installment  
14 Loan and Sales Act;

15 (13) Licensee means any person licensed under the Residential  
16 Mortgage Licensing Act as either a mortgage banker or mortgage loan  
17 originator;

18 (14) Loan processor or underwriter means an individual who (a)  
19 performs clerical or support duties as an employee at the direction of  
20 and subject to the supervision and instruction of a person licensed, or  
21 exempt from licensing, under the Residential Mortgage Licensing Act or  
22 Nebraska Installment Loan and Sales Act and (b) does not represent to the  
23 public, through advertising or other means of communicating or providing  
24 information including the use of business cards, stationery, brochures,  
25 signs, rate lists, or other promotional items, that such individual can  
26 or will perform any of the activities of a mortgage loan originator;

27 (15) Mortgage banker or mortgage banking business means any person  
28 (a) other than (i) a person exempt under section 45-703, (ii) an  
29 individual who is a loan processor or underwriter, or (iii) an individual  
30 who is licensed in this state as a mortgage loan originator and (b) who,  
31 for compensation or gain or in the expectation of compensation or gain,

1 directly or indirectly makes, originates, services, negotiates, acquires,  
2 sells, arranges for, or offers to make, originate, service, negotiate,  
3 acquire, sell, or arrange for a residential mortgage loan;

4 (16)(a) Mortgage loan originator means an individual who for  
5 compensation or gain or in the expectation of compensation or gain (i)  
6 takes a residential mortgage loan application or (ii) offers or  
7 negotiates terms of a residential mortgage loan.

8 (b) Mortgage loan originator does not include (i) an individual  
9 engaged solely as a loan processor or underwriter except as otherwise  
10 provided in section 45-727, (ii) a person or entity that only performs  
11 real estate brokerage activities and is licensed or registered in  
12 accordance with Nebraska law, unless the person or entity is compensated  
13 by a lender, a mortgage broker, or other mortgage loan originator or by  
14 any agent of such lender, mortgage broker, or other mortgage loan  
15 originator, and (iii) a person solely involved in extensions of credit  
16 relating to time-share programs as defined in section 76-1702;

17 (17) Nationwide Mortgage Licensing System and Registry means a  
18 licensing system developed and maintained by the Conference of State Bank  
19 Supervisors and the American Association of Residential Mortgage  
20 Regulators for the licensing and registration of mortgage loan  
21 originators, mortgage bankers, installment loan companies, and other  
22 state-regulated financial services entities and industries;

23 (18) Nontraditional mortgage product means any residential mortgage  
24 loan product other than a thirty-year fixed rate residential mortgage  
25 loan;

26 (19) Offer means every attempt to provide, offer to provide, or  
27 solicitation to provide a residential mortgage loan or any form of  
28 mortgage banking business. Offer includes, but is not limited to, all  
29 general and public advertising, whether made in print, through electronic  
30 media, or by the Internet;

31 (20) Person means an association, joint venture, joint-stock

1 company, partnership, limited partnership, limited liability company,  
2 business corporation, nonprofit corporation, individual, or any group of  
3 individuals however organized;

4 (21) Purchase-money mortgage means a mortgage issued to the borrower  
5 by the seller of the property as part of the purchase transaction;

6 (22) Real estate brokerage activity means any activity that involves  
7 offering or providing real estate brokerage services to the public,  
8 including (a) acting as a real estate salesperson or real estate broker  
9 for a buyer, seller, lessor, or lessee of real property, (b) bringing  
10 together parties interested in the sale, purchase, lease, rental, or  
11 exchange of real property, (c) negotiating, on behalf of any party, any  
12 portion of a contract relating to the sale, purchase, lease, rental, or  
13 exchange of real property, other than in connection with providing  
14 financing with respect to any such transaction, (d) engaging in any  
15 activity for which a person engaged in the activity is required to be  
16 registered or licensed as a real estate salesperson or real estate broker  
17 under any applicable law, and (e) offering to engage in any activity or  
18 act in any capacity described in subdivision (a), (b), (c), or (d) of  
19 this subdivision;

20 (23) Registered bank holding company means any bank holding company  
21 registered with the department pursuant to the Nebraska Bank Holding  
22 Company Act of 1995;

23 (24) Registered mortgage loan originator means any individual who  
24 (a) meets the definition of mortgage loan originator and is an employee  
25 of (i) a depository institution, (ii) a subsidiary that is (A) wholly  
26 owned and controlled by a depository institution and (B) regulated by a  
27 federal banking agency, or (iii) an institution regulated by the Farm  
28 Credit Administration and (b) is registered with, and maintains a unique  
29 identifier through, the Nationwide Mortgage Licensing System and  
30 Registry;

31 (25) Registrant means a person registered pursuant to section

1 45-704;

2 (26) Residential mortgage loan means any loan or extension of  
3 credit, including a refinancing of a contract of sale or an assumption or  
4 refinancing of a prior loan or extension of credit, which is primarily  
5 for personal, family, or household use and is secured by a mortgage,  
6 trust deed, or other equivalent consensual security interest on a  
7 dwelling or residential real estate upon which is constructed or intended  
8 to be constructed a dwelling;

9 (27) Residential real estate means any real property located in this  
10 state upon which is constructed or intended to be constructed a dwelling;

11 (28) Reverse-mortgage loan means a loan made by a licensee which (a)  
12 is secured by residential real estate, (b) is nonrecourse to the borrower  
13 except in the event of fraud by the borrower or waste to the residential  
14 real estate given as security for the loan, (c) provides cash advances to  
15 the borrower based upon the equity in the borrower's owner-occupied  
16 principal residence, (d) requires no payment of principal or interest  
17 until the entire loan becomes due and payable, and (e) otherwise complies  
18 with the terms of section 45-702.01;

19 (29) Service means accepting payments or maintenance of escrow  
20 accounts in the regular course of business in connection with a  
21 residential mortgage loan;

22 (30) State means any state of the United States, the District of  
23 Columbia, any territory of the United States, Puerto Rico, Guam, American  
24 Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, or  
25 the Northern Mariana Islands; and

26 (31) Unique identifier means a number or other identifier assigned  
27 by protocols established by the Nationwide Mortgage Licensing System and  
28 Registry.

29 **Sec. 56.** Section 45-703, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 45-703 (1) Except as provided in section 45-704, the following shall

1 be exempt from the Residential Mortgage Licensing Act:

2 (a) Any depository institution or wholly owned subsidiary thereof;

3 (b) Any registered bank holding company;

4 (c) Any insurance company that is subject to regulation by the  
5 Department of Insurance and is either (i) organized or chartered under  
6 the laws of Nebraska or (ii) organized or chartered under the laws of any  
7 other state if such insurance company has a place of business in  
8 Nebraska;

9 (d) Any person licensed to practice law in this state in connection  
10 with activities that are (i) considered the practice of law by the  
11 Supreme Court, (ii) carried out within an attorney-client relationship,  
12 and (iii) accomplished by the attorney in compliance with all applicable  
13 laws, rules, ethics, and standards;

14 (e) Any person licensed in this state as a real estate broker or  
15 real estate salesperson pursuant to section 81-885.02 who is engaging in  
16 real estate brokerage activities unless such person is compensated by a  
17 lender, a mortgage broker, or other mortgage loan originator or by any  
18 agent of such lender, mortgage broker, or other mortgage loan originator;

19 (f) Any registered mortgage loan originator when acting for an  
20 entity described in subdivision (24)(a)(i), (ii), or (iii) of section  
21 45-702;

22 (g) Any sales finance company licensed pursuant to the Nebraska  
23 Installment Loan and Sales Act if such sales finance company does not  
24 engage in mortgage banking business in any capacity other than as a  
25 purchaser or servicer of an installment sales contract, as defined in  
26 section 45-335, which is secured by a mobile home or trailer;

27 (h) Any trust company chartered pursuant to the Nebraska Trust  
28 Company Act;

29 (i) Any wholly owned subsidiary of an organization listed in  
30 subdivisions (b) and (c) of this subsection if the listed organization  
31 maintains a place of business in Nebraska;



1 (j) Any individual who offers or negotiates terms of a residential  
2 mortgage loan with or on behalf of an immediate family member of the  
3 individual;

4 (k) Any individual who does not repetitively and habitually engage  
5 in the business of a mortgage banker, a mortgage loan originator, or a  
6 loan processor or underwriter, either inside or outside of this state,  
7 who (i) makes a residential mortgage loan with his or her own funds for  
8 his or her own investment, (ii) makes a purchase-money mortgage, or (iii)  
9 finances the sale of a dwelling or residential real estate owned by such  
10 individual without the intent to resell the residential mortgage loan;

11 (l) Any employee or independent agent of a mortgage banker licensed  
12 or registered pursuant to the Residential Mortgage Licensing Act or  
13 exempt from the act if such employee or independent agent does not  
14 conduct the activities of a mortgage loan originator or loan processor or  
15 underwriter;

16 (m) The United States of America; the State of Nebraska; any other  
17 state, district, territory, commonwealth, or possession of the United  
18 States of America; any city, county, or other political subdivision; and  
19 any agency or division of any of the foregoing;

20 (n) The Nebraska Investment Finance Authority;

21 (o) Any individual who is an employee of an entity described in  
22 subdivision (m) or (n) of this subsection and who acts as a mortgage loan  
23 originator or loan processor or underwriter only pursuant to his or her  
24 official duties as an employee of such entity;

25 (p) A bona fide nonprofit organization which has received a  
26 certificate of exemption pursuant to section 45-703.01; and

27 (q) Any employee of a bona fide nonprofit organization which has  
28 received a certificate of exemption pursuant to section 45-703.01 if such  
29 employee acts as a mortgage loan originator or mortgage loan processor or  
30 underwriter (i) only with respect to his or her work duties for the  
31 nonprofit organization and (ii) only with respect to residential mortgage

1 loans with terms that are favorable to the borrower.

2 (2) It shall not be necessary to negate any of the exemptions  
3 provided in this section in any complaint, information, indictment, or  
4 other writ or proceedings brought under the Residential Mortgage  
5 Licensing Act, and the burden of establishing the right to any exemption  
6 shall be upon the person claiming the benefit of such exemption.

7 **Sec. 57.** Section 45-705, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 45-705 (1) No person shall act as a mortgage banker or use the title  
10 mortgage banker in this state unless he, she, or it is licensed as a  
11 mortgage banker, is registered with the department as provided in section  
12 45-704, is licensed as an installment loan company under the Nebraska  
13 Installment Loan and Sales Act, or is otherwise exempt from the act  
14 pursuant to section 45-703.

15 (2) Applicants for a license as a mortgage banker shall submit to  
16 the department an application on a form prescribed by the department. The  
17 application shall include, but not be limited to, (a) the applicant's  
18 corporate name and no more than one trade name or doing business as  
19 designation which the applicant intends to use in this state, if  
20 applicable, (b) the applicant's main office address, (c) all branch  
21 office addresses at which business is to be conducted, (d) the names and  
22 titles of each director and principal officer of the applicant, (e) the  
23 names of all shareholders, partners, or members of the applicant, (f) a  
24 description of the activities of the applicant in such detail as the  
25 department may require, (g) if the applicant is an individual, his or her  
26 social security number, and (h) fingerprints of any principal officer,  
27 director, partner, member, or sole proprietor for submission to the  
28 Federal Bureau of Investigation and any other governmental agency or  
29 entity authorized to receive such information for a state, national, and  
30 international criminal history record information check.

31 (3) The application for a license as a mortgage banker shall include

1 or be accompanied by, in a manner as prescribed by the director, (a) the  
2 name and street address in this state of a registered agent appointed by  
3 the licensee for receipt of service of process and (b) the written  
4 consent of the registered agent to the appointment. A post office box  
5 number may be provided in addition to the street address.

6 (4) The application for a license as a mortgage banker shall be  
7 accompanied by an application fee of four hundred dollars and, if  
8 applicable, a seventy-five-dollar fee for each branch office listed in  
9 the application and any processing fee allowed under subsection (2) of  
10 section 45-748.

11 (5) The application for a license as a mortgage banker shall include  
12 or be accompanied by, in a manner as prescribed by the director, a  
13 background investigation of each applicant by means of fingerprints and a  
14 check of his or her criminal history record information maintained by the  
15 Federal Bureau of Investigation through the Nationwide Mortgage Licensing  
16 System and Registry. If the applicant is a partnership, association,  
17 corporation, or other form of business organization, the director shall  
18 require a criminal history record information check on each member,  
19 director, or principal officer of each applicant or any individual acting  
20 in the capacity of the manager of an office location. Fingerprints of any  
21 principal officer, director, partner, member, or sole proprietor shall be  
22 submitted to the Federal Bureau of Investigation and any other  
23 governmental agency or entity authorized to receive such information for  
24 a state, national, and international criminal history record information  
25 check. The applicant shall be responsible for the direct costs associated  
26 with criminal history record information checks performed. The  
27 information obtained thereby may be used by the director to determine the  
28 applicant's eligibility for licensing under this section. Except as  
29 authorized pursuant to subsection (2) of section 45-748, receipt of  
30 criminal history record information by a private person or entity is  
31 prohibited.

1 (6) In order to reduce the points of contact which the Federal  
2 Bureau of Investigation may have to maintain for purposes of subsection  
3 (5) of this section, the director may use the Nationwide Mortgage  
4 Licensing System and Registry as a channeling agent for requesting  
5 information from and distributing information to the United States  
6 Department of Justice or any other governmental agency.

7 (7) A license as a mortgage banker granted under the Residential  
8 Mortgage Licensing Act shall not be assignable.

9 (8) An application is deemed filed when accepted as substantially  
10 complete by the director.

11 **Sec. 58.** Section 45-729, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 45-729 (1) The director shall not issue a mortgage loan originator  
14 license unless the director makes at a minimum the following findings:

15 (a) The applicant has never had a mortgage loan originator license  
16 revoked in any governmental jurisdiction, except that a subsequent formal  
17 vacation of such revocation shall not be deemed a revocation;

18 (b) The applicant has not been convicted of, or pleaded guilty or  
19 nolo contendere or its equivalent to, in a domestic, foreign, or military  
20 court:

21 (i) A misdemeanor under any state or federal law which involves  
22 dishonesty or fraud or which involves any aspect of the business of a  
23 mortgage banker, depository institution, or installment loan company  
24 unless such individual has received a pardon for such conviction or such  
25 conviction has been expunged, except that the director may consider the  
26 underlying crime, facts, and circumstances of a pardoned or expunged  
27 conviction in determining the applicant's eligibility for a license  
28 pursuant to subdivision (c) of this subsection; or

29 (ii) Any felony under state or federal law unless such individual  
30 has received a pardon for such conviction or such conviction has been  
31 expunged, except that the director may consider the underlying crime,

1 facts, and circumstances of a pardoned or expunged conviction in  
2 determining the applicant's eligibility for a license pursuant to  
3 subdivision (c) of this subsection;

4 (c) The applicant has demonstrated financial responsibility,  
5 character, and general fitness such as to command the confidence of the  
6 community and to warrant a determination that the mortgage loan  
7 originator will operate honestly, fairly, and efficiently within the  
8 purposes of the Residential Mortgage Licensing Act. For purposes of this  
9 subsection, an individual has shown that he or she is not financially  
10 responsible when he or she has shown a disregard in the management of his  
11 or her own financial condition. The director may consider the following  
12 factors in making a determination as to financial responsibility:

13 (i) The applicant's current outstanding judgments except judgments  
14 solely as a result of medical expenses;

15 (ii) The applicant's current outstanding tax liens or other  
16 government liens and filings;

17 (iii) The applicant's foreclosures within the past three years; and

18 (iv) A pattern of seriously delinquent accounts within the past  
19 three years by the applicant;

20 (d) The applicant has completed the prelicensing education  
21 requirements described in section 45-730;

22 (e) The applicant has passed a written test that meets the test  
23 requirement described in section 45-731; and

24 (f) The applicant is covered by a surety bond as required pursuant  
25 to section 45-724 or a supplemental surety bond as required pursuant to  
26 section 45-338 ~~45-1007~~.

27 (2)(a) If the director determines that a mortgage loan originator  
28 license application should be denied, the director shall notify the  
29 applicant in writing of the denial and of the reasons for the denial.

30 (b) The director shall not deny an application for a mortgage loan  
31 originator license because of the failure to submit information required

1 under the act or rules and regulations adopted and promulgated under the  
2 act without first giving the applicant an opportunity to correct the  
3 deficiency by supplying the missing information.

4 (c) If an applicant for a mortgage loan originator license does not  
5 complete his or her license application and fails to respond to a notice  
6 or notices from the department to correct the deficiency or deficiencies  
7 for a period of one hundred twenty days or more after the date the  
8 department sends the initial notice after initial filing of the  
9 application, the department may deem the application as abandoned and may  
10 issue a notice of abandonment of the application to the applicant in lieu  
11 of proceedings to deny the application.

12 (d) A decision of the director denying a mortgage loan originator  
13 license application pursuant to the Residential Mortgage Licensing Act  
14 may be appealed. The appeal shall be in accordance with the  
15 Administrative Procedure Act and rules and regulations adopted and  
16 promulgated by the department.

17 (3) A mortgage loan originator license shall not be assignable.

18 **Sec. 59.** Section 45-734, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 45-734 (1) A mortgage loan originator whose license is placed on  
21 inactive status under this section shall not act as a mortgage loan  
22 originator in this state until such time as the license is reactivated.

23 (2) The department shall place a mortgage loan originator license on  
24 inactive status upon the occurrence of one of the following:

25 (a) Upon receipt of a notice from either the licensed mortgage  
26 banker, registrant, installment loan company, or mortgage loan originator  
27 that the mortgage loan originator's relationship as an employee or  
28 independent agent of a licensed mortgage banker or installment loan  
29 company has been terminated;

30 (b) Upon the cancellation of the employing licensed mortgage  
31 banker's license pursuant to section 45-742 or upon the cancellation of

1 the employing installment loan company's license pursuant to subsection  
2 (5) subdivision (3)(b) of section 45-338 ~~45-1033~~ for failure to maintain  
3 the required surety bond;

4 (c) Upon the voluntary surrender of the employing licensed mortgage  
5 banker's license pursuant to section 45-742 or upon the voluntary  
6 surrender of the employing installment loan company's license pursuant to  
7 section 45-341 ~~45-1032~~;

8 (d) Upon the expiration of the employing licensed mortgage banker's  
9 license pursuant to section 45-742 or upon the expiration of the  
10 employing installment loan company's license pursuant to subsection (3)  
11 ~~subdivision (3)(a)~~ of section 45-340 ~~45-1033~~ if such mortgage loan  
12 originator has renewed his or her license pursuant to section 45-732;

13 (e) Upon the revocation or suspension of the employing licensed  
14 mortgage banker's license pursuant to section 45-742 or upon the  
15 revocation or suspension of the employing installment loan company's  
16 license pursuant to subsection (2) ~~(1)~~ of section 45-341 ~~45-1033~~; or

17 (f) Upon the cancellation, surrender, or expiration of the employing  
18 registrant's registration with the department.

19 (3) If a mortgage loan originator license becomes inactive under  
20 this section, the license shall remain inactive until the license  
21 expires, the licenseholder surrenders the license, the license is revoked  
22 or suspended pursuant to section 45-742, or the license is reactivated.

23 (4) Except as provided in subsection (5) of this section, a mortgage  
24 loan originator who holds an inactive mortgage loan originator license  
25 may renew such inactive license if he or she remains otherwise eligible  
26 for renewal pursuant to section 45-732 except for being covered by a  
27 surety bond pursuant to subdivision (1)(f) of section 45-729. Such  
28 renewal shall not reactivate the license.

29 (5) A mortgage loan originator who holds an inactive mortgage loan  
30 originator license that has been renewed one time may not renew such  
31 inactive license for a second annual licensing period unless (a) the

1 inactive license was reactivated after such inactive license was renewed  
2 or (b) the mortgage loan originator demonstrates good cause to the  
3 director to allow renewal of the inactive license for an additional  
4 annual licensing period.

5 (6) The department has the authority to reactivate a mortgage loan  
6 originator license upon receipt of a notice pursuant to section 45-735  
7 that the mortgage loan originator licensee has been hired as a mortgage  
8 loan originator by a licensed mortgage banker, registrant, or installment  
9 loan company and if such mortgage loan originator meets the conditions  
10 for licensing at the time the reactivation notice is received, including,  
11 but not limited to, coverage by a surety bond pursuant to subdivision (1)  
12 (f) of section 45-729.

13 **Sec. 60.** Section 45-804, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 45-804 A credit services organization, a salesperson, an agent, or a  
16 representative of a credit services organization, or an independent  
17 contractor who sells or attempts to sell the services of a credit  
18 services organization shall not:

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

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

29 (3) Charge a buyer or receive from a buyer money or other valuable  
30 consideration solely for referral of the buyer to a retail seller who  
31 will or may extend credit to the buyer if the credit that is or will be



1 extended to the buyer is substantially the same as that available to the  
2 general public;

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

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

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

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

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

27 **Sec. 61.** Section 69-2103, Revised Statutes Cumulative Supplement,  
28 2024, is amended to read:

29 69-2103 For purposes of the Consumer Rental Purchase Agreement Act:

30 (1) Advertisement means a commercial message in any medium that  
31 aids, promotes, or assists directly or indirectly a consumer rental

1 purchase agreement but does not include in-store merchandising aids such  
2 as window signs and ceiling banners;

3 (2) Cash price means the price at which the lessor would have sold  
4 the property to the consumer for cash on the date of the consumer rental  
5 purchase agreement for the property;

6 (3) Consumer means a natural person who rents property under a  
7 consumer rental purchase agreement;

8 (4) Consumer rental purchase agreement means an agreement which is  
9 for the use of property by a consumer primarily for personal, family, or  
10 household purposes, which is for an initial period of four months or  
11 less, whether or not there is any obligation beyond the initial period,  
12 which is automatically renewable with each payment, and which permits the  
13 consumer to become the owner of the property. A consumer rental purchase  
14 agreement in compliance with the act shall not be construed to be a lease  
15 or agreement which constitutes a credit sale as defined in 12 C.F.R.  
16 1026.2(a)(16), as such regulation existed on January 1, 2024, and 15  
17 U.S.C. 1602(h), as such section existed on January 1, 2024, or a lease  
18 which constitutes a consumer lease as defined in 12 C.F.R. 1013.2, as  
19 such regulation existed on January 1, 2024. Consumer rental purchase  
20 agreement does not include:

21 (a) Any lease for agricultural, business, or commercial purposes;

22 (b) Any lease made to an organization;

23 (c) A lease or agreement which constitutes an installment sale or  
24 installment sales contract as defined in section 45-335;

25 (d) A security interest as defined in subdivision (35) of section  
26 1-201, Uniform Commercial Code; and

27 (e) A home solicitation sale as defined in section 69-1601;

28 (5) Consummation means the occurrence of an event which causes a  
29 consumer to become contractually obligated on a consumer rental purchase  
30 agreement;

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

1 (7) Lease payment means a payment to be made by the consumer for the  
2 right of possession and use of the property for a specific lease period  
3 but does not include taxes imposed on such payment;

4 (8) Lease period means a week, month, or other specific period of  
5 time, during which the consumer has the right to possess and use the  
6 property after paying the lease payment and applicable taxes for such  
7 period;

8 (9) Lessor means a person who in the ordinary course of business  
9 operates a commercial outlet which regularly leases, offers to lease, or  
10 arranges for the leasing of property under a consumer rental purchase  
11 agreement;

12 (10) Property means any property that is not real property under the  
13 laws of this state when made available for a consumer rental purchase  
14 agreement; and

15 (11) Total of payments to acquire ownership means the total of all  
16 charges imposed by the lessor and payable by the consumer as a condition  
17 of acquiring ownership of the property. Total of payments to acquire  
18 ownership includes lease payments and any initial nonrefundable  
19 administrative fee or required delivery charge but does not include  
20 taxes, late charges, reinstatement fees, or charges for optional products  
21 or services.

22 **Sec. 62.** Section 76-2711, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 76-2711 Homeowner means the owner of a residence in foreclosure,  
25 including a vendee under a contract for deed to real property as defined  
26 in section 45-335 ~~45-1002~~.

27 **Sec. 63.** This act becomes operative on October 1, 2025.

28 **Sec. 64.** Original sections 8-319, 8-330, 8-601, 8-820.01, 44-1703,  
29 45-101.04, 45-1,110, 45-334, 45-335, 45-336, 45-337, 45-338, 45-339,  
30 45-340, 45-341, 45-342, 45-343, 45-344, 45-345, 45-347, 45-348, 45-350,  
31 45-351, 45-352, 45-353, 45-355, 45-356, 45-702, 45-703, 45-705, 45-729,

1 45-734, 45-804, and 76-2711, Reissue Revised Statutes of Nebraska, and  
2 sections 45-346, 45-354, and 69-2103, Revised Statutes Cumulative  
3 Supplement, 2024, are repealed.

4       **Sec. 65.** The following sections are outright repealed: Sections  
5 45-351.01, 45-1001, 45-1004, 45-1007, 45-1008, 45-1009, 45-1010, 45-1011,  
6 45-1012, 45-1013, 45-1014, 45-1015, 45-1016, 45-1017, 45-1019, 45-1020,  
7 45-1021, 45-1022, 45-1023, 45-1024, 45-1025, 45-1026, 45-1027, 45-1028,  
8 45-1029, 45-1030, 45-1031, 45-1032, 45-1033, 45-1033.02, 45-1034,  
9 45-1035, 45-1036, 45-1037, 45-1038, 45-1039, 45-1040, 45-1041, 45-1042,  
10 45-1043, 45-1044, 45-1045, 45-1046, 45-1047, 45-1048, 45-1049, 45-1050,  
11 45-1051, 45-1052, 45-1053, 45-1054, 45-1055, 45-1056, 45-1057, 45-1058,  
12 45-1059, 45-1060, 45-1061, 45-1062, 45-1063, 45-1064, 45-1065, 45-1066,  
13 45-1067, 45-1068, 45-1069, and 45-1070, Reissue Revised Statutes of  
14 Nebraska, and sections 45-346.01, 45-1002, 45-1003, 45-1005, 45-1006,  
15 45-1018, and 45-1033.01, Revised Statutes Cumulative Supplement, 2024.