

SENATOR PIRSCH: You're talking about the nonfiling insurance. Could you tell me a little bit more about that? Is this going to be mandatory or it's available now as I understand?

SENATOR LANDIS: Yes, nonfiling insurance is not mandated by law. It is a matter of choice. It is another way of guaranteeing the payment of the loan. If I am doing business with you and I am the small loan company, I'm capable of saying, listen, I could say, we can do a lien and you can give me a promise in your collateral or we can use nonfiling insurance. I'm also capable of saying, you want to do business with me, I guarantee my loans by using nonfiling insurance. Are you prepared to play that, do that?

SENATOR PIRSCH: That's available now.

SENATOR LANDIS: Yes, it is.

SENATOR PIRSCH: So we are adding this because there has been some overcharging or abuse or...?

SENATOR LANDIS: While it is available now, that avail...if you make a charge as part of your package, if we go out and get filing insurance and I put it into our agreement, I, as a small loan company, do not have the right to make any charge in your exchange with me unless it is authorized by law. So if we put that into our agreement and this is part of the package, they have to have permission by law before that can be a charge that you and I exchange as a company and as a borrower in that agreement.

SENATOR PIRSCH: Is that a pretty negligible cost or...?

SENATOR LANDIS: We said in this bill, in the amendment we just adopted, that it could not be more than what the actual cost of going out and getting a lien, and the actual cost of going out and getting a lien today and a release is eleven bucks.

SENATOR PIRSCH: And this is at the agreement with the borrower then?

SENATOR LANDIS: Exactly.

SENATOR PIRSCH: Thank you.