

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 904

Introduced by Vargas, 7.

Read first time January 08, 2018

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to the Credit Services Organization Act; to
2 amend section 45-804, Reissue Revised Statutes of Nebraska; to
3 prohibit the charging of certain fees; and to repeal the original
4 section.

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

1 Section 1. Section 45-804, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 45-804 A credit services organization, a salesperson, agent, or
4 representative of a credit services organization, or an independent
5 contractor who sells or attempts to sell the services of a credit
6 services organization shall not:

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

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

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

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

30 (5) Engage, directly or indirectly, in a fraudulent or deceptive
31 act, practice, or course of business in connection with the offer or sale

1 of the services of a credit services organization;

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

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

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

15 Sec. 2. Original section 45-804, Reissue Revised Statutes of
16 Nebraska, is repealed.