

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT (CORRECTED)
LB510

Hearing Date: Tuesday February 02, 2021
Committee On: Banking, Commerce and Insurance
Introducer: Lindstrom
One Liner: Change provisions of the Nebraska Installment Loan Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	7	Senators Aguilar, Flood, Lindstrom, McCollister, Pahls, Slama, Williams
Nay:	1	Senator Bostar
Absent:		
Present Not Voting:		

Oral Testimony:

Proponents:

Senator Brett Lindstrom
Ashley Krings

Representing:

Introducer
One Main Financial

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill would amend three sections of the Nebraska Installment Loan Act to (1) increase the annual license renewal fee and change the distribution of the fees, and (2) increase the maximum interest rate that licensees may charge on installment loans. The bill would provide, section by section, as follows:

Section 1 would amend section 45-1013 to increase the annual license renewal fee paid by installment loan licensees from \$250 to \$500.

Section 2 would amend section 45-1014 to provide that of the annual renewal fee (that would be increased from \$250 to \$500) the State Treasurer shall credit (1) \$150 (that would be decreased from \$250) to the Financial Institution Assessment Cash Fund (for the Department of Banking and Finance) and (2) \$350 to the Financial Literacy Cash Fund. Currently, none of these fees are credited to the Financial Literacy Cash Fund.

Section 3 would amend section 45-1024 to provide that installment loan licensees may receive on loans charges at a rate not exceeding 29% per annum. Currently, licensees may receive on loans charges at a rate not exceeding 24% per annum on that part of the unpaid principal balance on any loan not in excess of \$1,000, and 21% per annum on any remainder of such unpaid principal balance.

Section 4 would provide for the repealers.

Matt Williams, Chairperson