

REFERENCE TITLE: consumer flex loans

State of Arizona  
House of Representatives  
Fifty-second Legislature  
First Regular Session  
2015

# HB 2611

Introduced by  
Representative Mesnard

AN ACT

AMENDING SECTIONS 6-125 AND 6-126, ARIZONA REVISED STATUTES; AMENDING TITLE 6, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 18; RELATING TO CONSUMER LOANS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 6-125, Arizona Revised Statutes, is amended to  
3 read:  
4 6-125. Annual examination assessment of financial institutions  
5 and enterprises; costs of foreign examination; payment  
6 A. Before August 31 of each year the superintendent shall make the  
7 following annual assessments:  
8 1. ~~Upon~~ ON banks, the annual assessment set by the superintendent.  
9 2. ~~Upon~~ ON savings and loan associations, a charge not to exceed the  
10 annual assessment set for state banks under paragraph 1 of this subsection.  
11 3. ~~Upon~~ ON credit unions, the annual assessment set by the  
12 superintendent.  
13 B. The superintendent shall assess against the institution or  
14 enterprise examined a charge at the rate set by the superintendent but not to  
15 exceed sixty-five dollars per hour for each examiner employed in the  
16 following examinations:  
17 1. Any examination of a trust company.  
18 2. Any examination of the trust operation of a bank or a savings and  
19 loan association.  
20 3. Any examination of a financial institution ordered by the  
21 superintendent in addition to the regular examination required under section  
22 6-122.  
23 4. Any examination of an enterprise ordered by the superintendent.  
24 5. Any examination of a financial institution holding company or  
25 international banking facility.  
26 6. Any examination of a consumer lender.  
27 7. ANY EXAMINATION OF A FLEX LOAN LENDER.  
28 C. For a financial institution or enterprise maintaining an office  
29 outside this state, in addition to the annual assessment or examination  
30 assessment, the superintendent shall make an assessment equal to the travel  
31 and subsistence expense incurred in the examination of the office in the  
32 foreign state or country. Notwithstanding any other limitation prescribed by  
33 law, examiners engaged in examination of a foreign office shall be reimbursed  
34 for their necessary travel and subsistence expenses. Reimbursement for  
35 examiners' expenses shall be credited to the appropriation account of the  
36 department.  
37 D. Assessments under this section are due and payable to the  
38 department within thirty days after notice of the assessment is mailed by the  
39 department. The superintendent shall assess a penalty of fifty dollars for  
40 each day after the thirty-day period that the financial institution or  
41 enterprise fails to remit the assessment, unless, ~~upon~~ ON good cause shown, a  
42 written request for an extension is approved by the superintendent prior to  
43 the expiration of the specified time. In no event shall the total penalty  
44 exceed the examination assessment.

1 E. The superintendent shall set the amount of the annual assessment to  
2 be charged to banks and credit unions. In setting the annual assessment ~~upon~~  
3 ~~ON~~ banks, the superintendent shall consider the annual assessment set by the  
4 comptroller of currency for national banks. In setting the annual assessment  
5 ~~upon~~ ~~ON~~ credit unions the superintendent shall consider the annual assessment  
6 set by the national credit union administration for federal credit unions.

7 Sec. 2. Section 6-126, Arizona Revised Statutes, is amended to read:  
8 6-126. Application fees for financial institutions and  
9 enterprises

10 A. The following nonrefundable fees are payable to the department with  
11 the filing of the following applications:

- 12 1. To apply for a banking permit, ten thousand dollars.
- 13 2. To apply for an amendment to a banking or savings and loan  
14 association permit, one thousand dollars.
- 15 3. To establish each banking branch office, one thousand five hundred  
16 dollars.
- 17 4. To move a banking office to other than an established office of a  
18 bank, one thousand dollars.
- 19 5. To apply for a savings and loan association permit, ten thousand  
20 dollars.
- 21 6. To establish each savings and loan association branch office, one  
22 thousand five hundred dollars.
- 23 7. To move an office of a savings and loan association to other than  
24 an established office, one thousand dollars.
- 25 8. To organize and establish a credit union, one hundred dollars.
- 26 9. To establish each credit union branch or to move a credit union  
27 office to other than an established office of a credit union, two hundred  
28 fifty dollars.
- 29 10. To organize and establish any other financial institutions for  
30 which an application or investigation fee is not otherwise provided by law,  
31 two thousand five hundred dollars.
- 32 11. To acquire control of a financial institution, other than a  
33 consumer lender, five thousand dollars.
- 34 12. To apply for a trust company license, five thousand dollars.
- 35 13. To apply for a commercial mortgage banker, mortgage banker, escrow  
36 agent or consumer lender license, one thousand five hundred dollars.
- 37 14. To apply for a mortgage broker, commercial mortgage broker, sales  
38 finance company or debt management company license, eight hundred dollars.
- 39 15. To apply for a collection agency license, one thousand five hundred  
40 dollars.
- 41 16. To apply for a deferred presentment company license, one thousand  
42 dollars.
- 43 17. To apply for a motor vehicle dealer license, three hundred dollars.
- 44 18. To apply for a branch office of an escrow agent, consumer lender,  
45 ~~FLEX LOAN LENDER~~, commercial mortgage banker, mortgage banker, trust company,

- 1 money transmitter, collection agency or deferred presentment company, five  
2 hundred dollars.
- 3 19. To apply for a branch office of a mortgage broker, commercial  
4 mortgage broker, debt management company or sales finance company, two  
5 hundred fifty dollars.
- 6 20. To apply for approval of the articles of incorporation of a  
7 business development corporation, five hundred dollars.
- 8 21. To apply for approval for the merger or consolidation of two or  
9 more financial institutions, five thousand dollars per institution.
- 10 22. To apply for approval to convert from a national bank or federal  
11 savings and loan charter to a state chartered institution, five thousand  
12 dollars.
- 13 23. To apply for approval to convert from a federal credit union to a  
14 state chartered credit union, one thousand dollars.
- 15 24. To apply for approval to merge or consolidate two or more credit  
16 unions, five hundred dollars per credit union.
- 17 25. To move an established office of an enterprise to other than an  
18 established office, fifty dollars.
- 19 26. To issue a duplicate or replace a lost enterprise's license, one  
20 hundred dollars.
- 21 27. To change a responsible person on a mortgage broker's, commercial  
22 mortgage broker's, commercial mortgage banker's or a mortgage banker's  
23 license, two hundred fifty dollars.
- 24 28. To change an active manager on a collection agency license or a  
25 manager of a money transmitter branch office license, two hundred fifty  
26 dollars.
- 27 29. To change the licensee name on a financial institution or  
28 enterprise license, not more than two hundred fifty dollars.
- 29 30. To apply for a money transmitter license, one thousand five hundred  
30 dollars plus twenty-five dollars for each branch office and authorized  
31 delegate to a maximum of four thousand five hundred dollars.
- 32 31. To acquire control of any money transmitter or controlling person  
33 pursuant to chapter 12 of this title, two thousand five hundred dollars.
- 34 32. To receive the following publications:
- 35 (a) Quarterly bank and savings and loan statement of condition, not  
36 more than ten dollars per copy.
- 37 (b) Monthly summary of actions report, not more than five dollars per  
38 copy.
- 39 (c) A list of licensees, a monthly pending actions report and all  
40 other in-house prepared reports or listings made available to the public, not  
41 more than one dollar per page.
- 42 33. To apply for a loan originator license, an amount to be determined  
43 by the superintendent.
- 44 34. To apply for a loan originator license transfer, an amount to be  
45 determined by the superintendent.

1           35. To apply for a conversion from a mortgage banker license to a  
2 mortgage broker license, an amount to be determined by the superintendent.

3           36. TO APPLY FOR A FLEX LOAN LENDER LICENSE, AN AMOUNT TO BE DETERMINED  
4 BY THE SUPERINTENDENT.

5           B. On issuance of a license or permit for a financial institution or  
6 enterprise, the superintendent shall collect the first year's annual  
7 assessment or renewal fee for the financial institution or enterprise  
8 prorated according to the number of quarters remaining until the date of the  
9 next annual assessment or renewal.

10           C. The following annual renewal fees shall be paid each year:

11           1. For an escrow agent, or trust company, one thousand dollars plus  
12 two hundred fifty dollars for each branch office.

13           2. For a debt management company or sales finance company, five  
14 hundred dollars plus two hundred dollars for each branch office.

15           3. For a collection agency, six hundred dollars plus two hundred  
16 dollars for each branch office.

17           4. For a motor vehicle dealer, one hundred fifty dollars.

18           5. For an inactive mortgage broker or commercial mortgage broker, two  
19 hundred fifty dollars.

20           6. For a mortgage banker that negotiates or closes in the aggregate  
21 one hundred loans or less in the immediately preceding calendar year, seven  
22 hundred fifty dollars, and for a mortgage banker that negotiates or closes in  
23 the aggregate over one hundred loans in the immediately preceding calendar  
24 year, one thousand two hundred fifty dollars. In addition, a mortgage banker  
25 shall pay two hundred fifty dollars for each branch office.

26           7. For a commercial mortgage banker, one thousand two hundred fifty  
27 dollars. In addition, a commercial mortgage banker shall pay two hundred  
28 fifty dollars for each branch office.

29           8. For a mortgage broker or commercial mortgage broker that negotiates  
30 or closes in the aggregate fifty loans or less in the immediately preceding  
31 calendar year, two hundred fifty dollars and for a mortgage broker or  
32 commercial mortgage broker that negotiates or closes in the aggregate more  
33 than fifty loans in the immediately preceding calendar year, five hundred  
34 dollars. In addition, a mortgage broker or commercial mortgage broker shall  
35 pay two hundred dollars for each branch office.

36           9. For a consumer lender OR A FLEX LOAN LENDER, one thousand dollars  
37 plus two hundred dollars for each branch office.

38           10. For a money transmitter, five hundred dollars plus twenty-five  
39 dollars for each branch office and each authorized delegate to a maximum of  
40 two thousand five hundred dollars.

41           11. For a deferred presentment company, four hundred dollars. In  
42 addition, a deferred presentment company shall pay two hundred dollars for  
43 each branch office.

44           12. For a loan originator, an amount to be determined by the  
45 superintendent.

1 13. For an inactive status loan originator, an amount to be determined  
2 by the superintendent.

3 D. The license, renewal or branch office permit fee for a premium  
4 finance company for each calendar year or part thereof shall not be less than  
5 one hundred dollars or more than three hundred dollars as set by the  
6 superintendent. If the license is issued or the branch office is opened  
7 after June 30 in any year, the fees shall not be less than fifty dollars or  
8 more than one hundred fifty dollars for that year.

9 Sec. 3. Title 6, Arizona Revised Statutes, is amended by adding  
10 chapter 18, to read:

11 CHAPTER 18

12 FLEX LOANS

13 ARTICLE 1. GENERAL PROVISIONS

14 6-1801. Definitions

15 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

16 1. "AMOUNT FINANCED" MEANS THE AMOUNT OF CREDIT EXTENDED TO A CONSUMER  
17 ON A FLEX LOAN DETERMINED PURSUANT TO THE TRUTH IN LENDING ACT (P.L. 90-321,  
18 82 STAT. 146; 15 UNITED STATES CODE SECTIONS 1601 THROUGH 1667f).

19 2. "ANNUAL PERCENTAGE RATE" MEANS THE MEASURE OF THE COST OF CREDIT,  
20 EXPRESSED AS A YEARLY RATE, THAT RELATES THE AMOUNT AND TIMING OF VALUE  
21 RECEIVED BY THE CONSUMER TO THE AMOUNT AND TIMING OF PAYMENTS MADE DETERMINED  
22 PURSUANT TO THE TRUTH IN LENDING ACT (P.L. 90-321, 82 STAT. 146; 15 UNITED  
23 STATES CODE SECTION 1601 THROUGH 1667f).

24 3. "CONSUMER" MEANS AN INDIVIDUAL WHO OBTAINS A FLEX LOAN FOR  
25 PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

26 4. "FINANCE CHARGE" MEANS THE AMOUNT PAYABLE BY A CONSUMER INCIDENT TO  
27 OR AS A CONDITION OF THE EXTENSION OF A FLEX LOAN BUT DOES NOT INCLUDE OTHER  
28 FEES ALLOWED PURSUANT TO SECTION 6-1835.

29 5. "FLEX LOAN" MEANS A LOAN MADE PURSUANT TO A FLEX LOAN PLAN.

30 6. "FLEX LOAN LENDER" MEANS A PERSON THAT ADVERTISES TO MAKE, SOLICITS  
31 OR HOLDS ITSELF OUT TO MAKE OR MAKES FLEX LOANS TO CONSUMERS IN THIS STATE.

32 7. "FLEX LOAN PLAN" MEANS A WRITTEN AGREEMENT SUBJECT TO THIS CHAPTER  
33 BETWEEN A LICENSEE AND A CONSUMER ESTABLISHING AN OPEN-END CREDIT PLAN UNDER  
34 WHICH THE LICENSEE MAKES CREDIT AVAILABLE UP TO THE ESTABLISHED LOAN LIMIT  
35 FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES THAT:

36 (a) IS UNSECURED.

37 (b) MAY BE WITHOUT FIXED MATURITIES OR LIMITATION AS TO THE LENGTH OF  
38 TERM.

39 (c) ARE SUBJECT TO PREPAYMENT IN WHOLE OR IN PART AT ANY TIME WITHOUT  
40 PENALTY.

41 8. "LICENSEE" MEANS A PERSON LICENSED PURSUANT TO THIS CHAPTER.

42 9. "REGULARLY ENGAGED IN THE BUSINESS" MEANS EITHER:

43 (a) ADVERTISING TO OR ANY OTHER SOLICITATION OF A RESIDENT OF THIS  
44 STATE THAT OFFERS A FLEX LOAN AND THAT OCCURS WITHIN THIS STATE.

1 (b) MAKING THREE OR MORE FLEX LOANS WITHIN A CALENDAR YEAR TO  
2 RESIDENTS OF THIS STATE.

3 6-1802. Exemptions

4 A. THIS CHAPTER DOES NOT APPLY TO A PERSON THAT:

5 1. DOES BUSINESS UNDER ANY OTHER LAW OF THIS STATE OR ANY OTHER STATE  
6 WHILE REGULATED BY A STATE AGENCY OF THAT OTHER STATE OR OF THE UNITED STATES  
7 RELATING TO BANKS, SAVINGS BANKS, TRUST COMPANIES, SAVINGS AND LOAN  
8 ASSOCIATIONS, PROFIT SHARING AND PENSION TRUSTS, CREDIT UNIONS, INSURANCE  
9 COMPANIES OR RECEIVERSHIPS IF THE FLEX LOAN TRANSACTIONS ARE REGULATED BY THE  
10 OTHER LAW OR ARE UNDER THE JURISDICTION OF A COURT.

11 2. IS LICENSED AS A PAWNBROKER PURSUANT TO TITLE 44, CHAPTER 11,  
12 ARTICLE 3 TO THE EXTENT THAT THE PERSON'S ACTIVITIES ARE GOVERNED BY THAT  
13 ARTICLE.

14 3. IS NOT REGULARLY ENGAGED IN THE BUSINESS OF MAKING FLEX LOANS.

15 4. IS LICENSED PURSUANT TO CHAPTER 5 OR 9 OF THIS TITLE OR ACTING  
16 PURSUANT TO TITLE 44, CHAPTER 2.1 TO THE EXTENT THAT THE PERSON'S ACTIVITIES  
17 ARE GOVERNED BY THAT CHAPTER.

18 B. THE REQUIREMENTS OF THIS CHAPTER DO NOT APPLY TO:

19 1. CLOSED-END LOANS OF MORE THAN TEN THOUSAND DOLLARS.

20 2. ADVANCES ON OPEN-END REVOLVING LOANS THAT ARE NOT SECURED BY THE  
21 CONSUMER'S PRINCIPAL RESIDENCE WITH AN AGREED ON CREDIT LIMIT OF MORE THAN  
22 TEN THOUSAND DOLLARS, REGARDLESS OF THE AMOUNT OF ANY ADVANCES ON THESE  
23 REVOLVING LOANS.

24 3. ADVANCES ON OPEN-END REVOLVING LOANS THAT ARE SECURED BY THE  
25 CONSUMER'S PRINCIPAL RESIDENCE WITH AN AGREED ON CREDIT LIMIT OF MORE THAN  
26 TEN THOUSAND DOLLARS, REGARDLESS OF THE AMOUNT OF ANY ADVANCES ON THESE  
27 REVOLVING LOANS.

28 4. CONSUMER LOANS MADE UNDER CHAPTER 5 OF THIS TITLE.

29 5. FLEX LOANS THAT ARE LAWFULLY MADE TO NONRESIDENTS OF THIS STATE  
30 PURSUANT TO A FLEX LOAN LAW OF ANOTHER STATE SIMILAR IN PRINCIPLE TO THIS  
31 CHAPTER.

32 6. EDUCATIONAL LOANS THAT ARE EITHER:

33 (a) MADE, INSURED OR GUARANTEED PURSUANT TO A PROGRAM AUTHORIZED BY  
34 THE UNITED STATES, THIS STATE OR ANY OTHER STATE.

35 (b) MADE BY A NONPROFIT ORGANIZATION THAT IS EXEMPT FROM TAXATION  
36 UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE TO STUDENTS WHO ATTEND  
37 POSTSECONDARY EDUCATIONAL INSTITUTIONS IN THIS STATE.

38 6-1803. License; applicability; contents of application; fees;  
39 nontransferable

40 A. UNLESS EXEMPT UNDER SECTION 6-1802, A PERSON, WHETHER LOCATED IN  
41 THIS STATE OR IN ANOTHER STATE, MAY NOT ENGAGE IN THE BUSINESS OF A FLEX LOAN  
42 WITHOUT FIRST BEING LICENSED AS A FLEX LOAN LENDER BY THE SUPERINTENDENT.

43 B. THIS CHAPTER APPLIES TO ANY PERSON THAT SEEKS TO AVOID ITS  
44 APPLICATION BY ANY DEVICE, SUBTERFUGE OR PRETENSE.

1 C. EACH APPLICANT FOR A LICENSE SHALL SUBMIT AN APPLICATION IN  
2 WRITING, UNDER OATH AND IN THE FORM PRESCRIBED BY THE SUPERINTENDENT. THE  
3 SUPERINTENDENT MAY REQUIRE AS PART OF AN APPLICATION ANY OTHER INFORMATION  
4 THAT THE SUPERINTENDENT DEEMS NECESSARY.

5 D. AT THE TIME OF FILING AN APPLICATION FOR A LICENSE, AN APPLICANT  
6 SHALL PAY TO THE SUPERINTENDENT THE FEE PRESCRIBED IN SECTION 6-126.

7 E. BEFORE JUNE 30 OF EACH YEAR, EACH LICENSEE MAY OBTAIN A RENEWAL OF  
8 A LICENSE BY FILING AN APPLICATION IN THE FORM PRESCRIBED BY THE  
9 SUPERINTENDENT AND PAYING THE FEE PRESCRIBED IN SECTION 6-126.

10 F. THE SUPERINTENDENT MAY DENY A LICENSE TO A PERSON IF THE  
11 SUPERINTENDENT FINDS THAT AN APPLICANT:

12 1. IS INSOLVENT AS DEFINED IN SECTION 47-1201.

13 2. HAS FAILED TO DEMONSTRATE THE FINANCIAL RESPONSIBILITY, EXPERIENCE,  
14 CHARACTER AND GENERAL FITNESS TO COMMAND THE CONFIDENCE OF THE PUBLIC AND TO  
15 WARRANT THE BELIEF THAT THE BUSINESS WILL BE OPERATED LAWFULLY, HONESTLY,  
16 FAIRLY AND EFFICIENTLY WITHIN THE PURPOSES OF THIS CHAPTER.

17 3. HAS FAILED TO PAY THE LICENSE FEE.

18 4. HAS FAILED TO HAVE AT LEAST TWENTY-FIVE THOUSAND DOLLARS IN ASSETS  
19 READILY AVAILABLE FOR USE IN THE CONDUCT OF THE BUSINESS OF EACH LICENSED  
20 OFFICE AND BRANCH OFFICE.

21 G. A FLEX LOAN LENDER LICENSE IS NOT TRANSFERABLE OR ASSIGNABLE, AND A  
22 PERSON MAY NOT ACQUIRE CONTROL OF A LICENSEE THROUGH STOCK PURCHASE OR OTHER  
23 DEVICE WITHOUT THE PRIOR WRITTEN CONSENT OF THE SUPERINTENDENT. THE  
24 SUPERINTENDENT MAY REFUSE CONSENT IF THE SUPERINTENDENT FINDS THAT ANY OF THE  
25 GROUNDS FOR DENIAL OF RENEWAL, REVOCATION OR SUSPENSION OF A LICENSE  
26 PRESCRIBED IN SECTION 6-1805 ARE APPLICABLE TO THE ACQUIRING PERSON. FOR THE  
27 PURPOSES OF THIS SUBSECTION, "CONTROL" MEANS THE POWER TO VOTE MORE THAN  
28 TWENTY PERCENT OF THE OUTSTANDING VOTING SHARES OF A LICENSED CORPORATION,  
29 LIMITED LIABILITY COMPANY, PARTNERSHIP, ASSOCIATION OR TRUST.

30 6-1804. Issuance of license; license year; requirements

31 A. IF THE SUPERINTENDENT FINDS NO GROUNDS FOR DENIAL OF A LICENSE,  
32 WITHIN ONE HUNDRED TWENTY DAYS AFTER RECEIVING A COMPLETE APPLICATION, THE  
33 SUPERINTENDENT SHALL GRANT THE APPLICATION AND ISSUE A LICENSE TO THE  
34 APPLICANT.

35 B. THE LICENSE YEAR FOR A LICENSEE BEGINS ON JULY 1 AND ENDS ON JUNE  
36 30 OF EACH YEAR.

37 C. ALL LICENSES ISSUED REMAIN IN FULL FORCE UNTIL SURRENDERED, REVOKED  
38 OR SUSPENDED.

39 D. A LICENSE REMAINS THE PROPERTY OF THIS STATE. ON TERMINATION AT  
40 THE REQUEST OF THE LICENSEE OR REVOCATION BY THE SUPERINTENDENT, THE LICENSEE  
41 SHALL IMMEDIATELY DELIVER THE LICENSE TO THE SUPERINTENDENT. TERMINATION OF  
42 THE LICENSE DOES NOT AFFECT ANY OTHER LIABILITY OF THE LICENSEE.

43 E. THE LICENSEE SHALL DESIGNATE THE PRINCIPAL LOCATION OF THE LICENSED  
44 OFFICE WITHIN OR OUTSIDE THIS STATE. IF A LICENSEE WISHES TO MAINTAIN MORE  
45 THAN ONE OFFICE LOCATION, THE LICENSEE SHALL FIRST OBTAIN A BRANCH OFFICE

1 LICENSE FROM THE SUPERINTENDENT FOR EACH BRANCH OFFICE. THE LICENSEE SHALL  
2 SUBMIT AN APPLICATION IN THE FORM PRESCRIBED BY THE SUPERINTENDENT AND PAY  
3 THE FEE PRESCRIBED IN SECTION 6-126 FOR EACH BRANCH OFFICE LICENSE. IF THE  
4 SUPERINTENDENT DETERMINES THAT THE APPLICANT IS QUALIFIED, THE SUPERINTENDENT  
5 SHALL ISSUE A BRANCH OFFICE LICENSE INDICATING THE ADDRESS OF THE BRANCH  
6 OFFICE.

7 F. A LICENSEE SHALL PROMINENTLY DISPLAY THE FLEX LOAN LICENSE IN THE  
8 OFFICE OF THE FLEX LOAN LENDER AND ANY BRANCH OFFICE LICENSE IN THAT BRANCH  
9 OFFICE.

10 6-1805. Denial of renewal; suspension; revocation

11 A. THE SUPERINTENDENT MAY DENY RENEWAL OF A LICENSE OR SUSPEND OR  
12 REVOKE A LICENSE IF THE SUPERINTENDENT FINDS THAT A LICENSEE:

13 1. IS INSOLVENT AS DEFINED IN SECTION 47-1201.

14 2. HAS SHOWN THAT THE LICENSEE IS NOT A PERSON OF HONESTY,  
15 TRUTHFULNESS AND GOOD CHARACTER.

16 3. HAS FAILED TO PAY THE ANNUAL RENEWAL FEES.

17 4. HAS FAILED TO FILE AN ANNUAL REPORT WHEN DUE OR WITHIN ANY  
18 EXTENSION OF TIME GRANTED BY THE SUPERINTENDENT FOR GOOD CAUSE.

19 5. HAS FAILED TO HAVE OR MAINTAIN AT LEAST TWENTY-FIVE THOUSAND  
20 DOLLARS IN ASSETS USED OR READILY AVAILABLE FOR USE IN THE CONDUCT OF THE  
21 BUSINESS OF EACH LICENSED OFFICE AND BRANCH OFFICE.

22 6. EITHER KNOWINGLY OR WITHOUT THE EXERCISE OF DUE CARE TO PREVENT A  
23 VIOLATION, HAS VIOLATED ANY PROVISION OF THIS TITLE OR ANY RULE OR ORDER  
24 ADOPTED OR MADE PURSUANT TO THIS TITLE.

25 7. HAS FAILED TO OPERATE THE BUSINESS OF MAKING FLEX LOANS FOR A  
26 CONTINUOUS PERIOD OF TWELVE MONTHS OR MORE, EXCEPT THAT THE SUPERINTENDENT,  
27 ON GOOD CAUSE SHOWN, MAY EXTEND THE TIME FOR OPERATING THAT BUSINESS FOR A  
28 SINGLE FIXED PERIOD OF NOT MORE THAN TWELVE MONTHS.

29 B. THE SUPERINTENDENT MAY ALSO DENY RENEWAL OF A LICENSE OR SUSPEND OR  
30 REVOKE A LICENSE IF THE SUPERINTENDENT FINDS THAT ANY FACT OR CONDITION  
31 EXISTS THAT, IF IT HAD EXISTED AT THE TIME OF THE ORIGINAL APPLICATION FOR  
32 THE LICENSE, WOULD HAVE CLEARLY WARRANTED THE SUPERINTENDENT TO REFUSE TO  
33 ISSUE THE LICENSE.

34 6-1806. Business limited to licensed locations; restrictions

35 A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, A LICENSEE MAY  
36 NOT CONDUCT THE BUSINESS OF MAKING FLEX LOANS PURSUANT TO THIS CHAPTER UNDER  
37 ANY NAME OR AT ANY PLACE OF BUSINESS OTHER THAN THE NAME AND PLACE STATED IN  
38 THE LICENSEE'S FLEX LOAN LICENSE OR BRANCH OFFICE LICENSE.

39 B. A LICENSEE MAY:

40 1. MAKE FLEX LOANS BY MAIL OR ELECTRONIC MEANS.

41 2. ON REQUEST, MAKE ACCOMMODATIONS TO CONSUMERS AT ANY LOCATION  
42 REQUESTED BY THE CONSUMER.

43 3. CONDUCT ANY ADMINISTRATIVE, LOAN SERVICING OR RECORDKEEPING  
44 ACTIVITY AT ANY OTHER LOCATION NOT OPEN TO THE PUBLIC, IF THE SUPERINTENDENT  
45 IS NOTIFIED IN ADVANCE OF THAT ACTIVITY.

1 C. ON APPROVAL BY THE SUPERINTENDENT, THE LICENSEE MAY CONDUCT ANY OF  
2 THE ACTIVITIES LISTED IN SUBSECTION B OF THIS SECTION OUTSIDE OF THIS STATE.

3 D. A LICENSEE MAY CHANGE THE LOCATION OF ITS LICENSED OFFICE OR  
4 LICENSED BRANCH OFFICE BY GIVING WRITTEN NOTICE TO THE SUPERINTENDENT, WHO  
5 SHALL AMEND THE LICENSE ACCORDINGLY.

6 E. ALL FLEX LOANS THAT ARE MADE AT THE LOCATION OF A LICENSED OFFICE  
7 OR BRANCH OFFICE ARE SUBJECT TO THE REQUIREMENTS OF ARTICLE 2 OF THIS  
8 CHAPTER, WHETHER MADE BY A LICENSEE, ANY PERSON OTHERWISE EXEMPT FROM THIS  
9 CHAPTER PURSUANT TO SECTION 6-1802 OR ANY OTHER PERSON.

10 F. A LICENSEE MAY NOT CONDUCT THE BUSINESS OF MAKING FLEX LOANS  
11 PURSUANT TO THIS CHAPTER FROM WITHIN ANY LICENSED OFFICE OR BRANCH OFFICE IN  
12 WHICH ANY OTHER BUSINESS NOT LICENSED PURSUANT TO THIS TITLE IS SOLICITED OR  
13 ENGAGED IN, OR IN ASSOCIATION OR CONJUNCTION WITH ANY OTHER BUSINESS NOT  
14 LICENSED PURSUANT TO THIS TITLE, WITHOUT GIVING PRIOR NOTICE TO THE  
15 SUPERINTENDENT. IF IT APPEARS TO THE SUPERINTENDENT THAT THE OTHER BUSINESS  
16 IS OF SUCH A NATURE OR IS BEING CONDUCTED IN SUCH A MANNER AS TO CONCEAL AN  
17 EVASION OF THIS CHAPTER OR IS CONTRARY TO THE PUBLIC INTEREST OR OTHERWISE  
18 BEING CONDUCTED IN AN UNLAWFUL MANNER, THE SUPERINTENDENT MAY ACT PURSUANT TO  
19 SECTION 6-137 TO RESTRICT THE LICENSEE FROM CONDUCTING ITS BUSINESS IN  
20 CONJUNCTION WITH THAT OTHER BUSINESS. FOR THE PURPOSES OF THIS SUBSECTION,  
21 "PUBLIC INTEREST" MEANS THE LAWS OF THIS STATE OR OF THE UNITED STATES OR  
22 RULES ADOPTED BY THE SUPERINTENDENT.

23 6-1807. Books; accounts; records; access

24 A. A LICENSEE SHALL MAINTAIN BOOKS, ACCOUNTS AND RECORDS THAT ENABLE  
25 THE SUPERINTENDENT TO DETERMINE WHETHER THE LICENSEE IS IN COMPLIANCE WITH  
26 THIS CHAPTER.

27 B. A LICENSEE SHALL PRESERVE ITS BOOKS, ACCOUNTS AND RECORDS OF FLEX  
28 LOANS FOR AT LEAST TWO YEARS AFTER MAKING THE FINAL ENTRY FOR ANY FLEX LOAN.  
29 A LICENSEE THAT USES AN ELECTRONIC RECORDKEEPING SYSTEM IS NOT REQUIRED TO  
30 KEEP A WRITTEN COPY OF THE ACCOUNTS AND RECORDS IF THE LICENSEE IS ABLE TO  
31 GENERATE ALL OF THE INFORMATION REQUIRED BY THIS SECTION IN A TIMELY MANNER  
32 FOR EXAMINATION OR OTHER PURPOSES.

33 C. EVERY LICENSEE SHALL OBSERVE GENERALLY ACCEPTED ACCOUNTING  
34 PRINCIPLES AND PRACTICES.

35 D. A LICENSEE SHALL MAKE ANY BOOKS, ACCOUNTS AND RECORDS THAT ARE KEPT  
36 OUTSIDE OF THIS STATE AVAILABLE TO THE SUPERINTENDENT IN THIS STATE NOT MORE  
37 THAN THREE BUSINESS DAYS AFTER DEMAND IS MADE BY THE SUPERINTENDENT OR THE  
38 SUPERINTENDENT MAY CHOOSE TO PERFORM THE EXAMINATION OR INVESTIGATION AT THE  
39 OFFICE OF THE LICENSEE LOCATED OUTSIDE THIS STATE.

40 E. FOR THE PURPOSES OF THIS CHAPTER, THE SUPERINTENDENT OR THE  
41 SUPERINTENDENT'S DULY AUTHORIZED REPRESENTATIVES SHALL HAVE ACCESS DURING  
42 NORMAL BUSINESS HOURS TO THE OFFICES AND PLACES OF BUSINESS, FILES, SAFES AND  
43 VAULTS OF ALL LICENSEES REGARDING THAT BUSINESS OR THE SUBJECT MATTER OF ANY  
44 EXAMINATION, INVESTIGATION OR HEARING.



1           1. THE OBLIGATION OF ANY PREEXISTING FLEX LOAN BETWEEN THE FLEX LOAN  
2 LENDER AND ANY CONSUMER.

3           2. THE ABILITY OR RIGHT OF THE FLEX LOAN LENDER TO SERVICE EXISTING  
4 FLEX LOANS FROM OUTSIDE THIS STATE.

5           B. IF THIS CHAPTER OR ANY PART OF THIS CHAPTER IS MODIFIED, AMENDED OR  
6 REPEALED, RESULTING IN A CANCELLATION OR ALTERATION OF ANY FLEX LOAN LICENSE  
7 OR RIGHT OF A LICENSEE UNDER THIS CHAPTER, THAT CANCELLATION OR ALTERATION  
8 DOES NOT IMPAIR OR AFFECT THE OBLIGATION OF ANY PREEXISTING CONTRACT BETWEEN  
9 A FLEX LOAN LENDER AND ANY CONSUMER.

10           6-1811. Prohibited acts

11           A. A LICENSEE MAY NOT KNOWINGLY ADVERTISE, DISPLAY, DISTRIBUTE,  
12 BROADCAST OR TELEVISION, OR CAUSE OR PERMIT TO BE ADVERTISED, DISPLAYED,  
13 DISTRIBUTED, BROADCAST OR TELEVISION, IN ANY MANNER, ANY FALSE, MISLEADING OR  
14 DECEPTIVE STATEMENT OR REPRESENTATION WITH REGARD TO THE RATES, TERMS OR  
15 CONDITIONS FOR A FLEX LOAN. TO THE EXTENT APPLICABLE, ALL ADVERTISING SHALL  
16 COMPLY WITH THE ADVERTISING REQUIREMENTS OF THE TRUTH IN LENDING ACT  
17 (P.L. 90-321, 82 STAT. 146, 15 UNITED STATES CODE SECTIONS 1601 THROUGH  
18 1667f).

19           B. A LICENSEE MAY NOT PAY A FEE, COMMISSION OR BONUS OR GIVE ANYTHING  
20 OF VALUE TO ANY MERCHANT, DEALER, CONSUMER OR OTHER PERSON FOR REFERRING FLEX  
21 LOAN BUSINESS, EXCEPT THAT A LICENSEE MAY GIVE A CONSUMER A PRIZE, GOOD,  
22 WARE, MERCHANDISE OR TANGIBLE PROPERTY OF AN AGGREGATE VALUE OF TWENTY-FIVE  
23 DOLLARS OR LESS.

24           C. A CONSUMER MAY NOT HAVE OUTSTANDING MORE THAN ONE FLEX LOAN PLAN  
25 UNDER THIS CHAPTER AT ANY ONE TIME. EACH LICENSEE SHALL INQUIRE OF ANY  
26 CONSUMER SEEKING A FLEX LOAN PLAN UNDER THIS CHAPTER REGARDING THE CONSUMER'S  
27 OUTSTANDING FLEX LOANS. IF THE CONSUMER REPRESENTS IN WRITING THAT THE  
28 CONSUMER HAS NO OUTSTANDING FLEX LOAN PLANS, A LICENSEE MAY OFFER THE  
29 CONSUMER A FLEX LOAN PLAN. IF THE CONSUMER REPRESENTS IN WRITING THAT THE  
30 CONSUMER HAS ONE OR MORE OUTSTANDING FLEX LOAN PLANS, A LICENSEE MAY NOT  
31 OFFER A FLEX LOAN PLAN TO THE CONSUMER UNTIL THE CONSUMER REPRESENTS TO THE  
32 LICENSEE IN WRITING THAT THE CONSUMER QUALIFIES TO OPEN A NEW FLEX LOAN PLAN  
33 PURSUANT TO THIS SUBSECTION.

34           6-1812. Rules

35           THE SUPERINTENDENT SHALL ADOPT RULES THAT ARE NECESSARY TO REGULATE THE  
36 PROPER CONDUCT OF LICENSEES.

37           6-1813. Restriction; voidable loans

38           A. EXCEPT AS THE RESULT OF AN ACCIDENTAL OR BONA FIDE ERROR, IF THE  
39 LICENSEE CHARGES, CONTRACTS FOR OR RECEIVES ANY AMOUNT IN EXCESS OF THE  
40 FINANCE CHARGES AND OTHER FEES PERMITTED BY THIS CHAPTER, FAILS TO PROMPTLY  
41 REFUND THE OVERCHARGES ON DISCOVERY AND THE LINE OF CREDIT PROVIDED TO A  
42 CONSUMER ON A FLEX LOAN IS GREATER THAN THREE THOUSAND DOLLARS, THAT FLEX  
43 LOAN IS VOIDABLE AND THE LICENSEE HAS NO RIGHT TO COLLECT OR RECEIVE ANY  
44 PRINCIPAL, FINANCE CHARGES OR OTHER FEES IN CONNECTION WITH THAT FLEX LOAN.

1 B. ANY FLEX LOAN THAT IS MADE BY A PERSON THAT IS REQUIRED TO BE  
2 LICENSED PURSUANT TO THIS CHAPTER BUT THAT IS NOT LICENSED IS VOID AND THE  
3 PERSON MAKING THAT FLEX LOAN HAS NO RIGHT TO COLLECT, RECEIVE OR RETAIN ANY  
4 PRINCIPAL, FINANCE CHARGES OR OTHER FEES IN CONNECTION WITH THAT FLEX LOAN.

5 6-1814. Noncompliance

6 EXCEPT AS PROVIDED IN SECTION 6-1813, A FAILURE TO COMPLY WITH THIS  
7 CHAPTER DOES NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF ANY FLEX LOAN.

8 ARTICLE 2. REQUIREMENTS FOR FLEX LOANS

9 6-1831. Disclosures; civil penalty

10 A. TO THE EXTENT APPLICABLE, A LICENSEE SHALL COMPLY WITH THE  
11 DISCLOSURE REQUIREMENTS OF THE TRUTH IN LENDING ACT (P.L. 90-321, 82 STAT.  
12 146, 15 UNITED STATES CODE SECTIONS 1601 THROUGH 1667f).

13 B. EACH NOTE OR AGREEMENT EVIDENCING A FLEX LOAN SHALL CONTAIN THE  
14 FOLLOWING DISCLOSURE STATEMENT IN AT LEAST TEN-POINT TYPE THAT IS IN ENGLISH  
15 AND IN SPANISH AND IN CLOSE PROXIMITY TO THE CONSUMER'S SIGNATURE LINE:

16 NOTICE: YOU MAY REQUEST THAT THE INITIAL DISCLOSURES PRESCRIBED  
17 IN THE TRUTH IN LENDING ACT (15 UNITED STATES CODE SECTIONS 1601  
18 THROUGH 1667f) BE PROVIDED IN SPANISH BEFORE SIGNING ANY LOAN  
19 DOCUMENTS.

20 C. A LICENSEE SHALL CONTINUOUSLY AND CONSPICUOUSLY DISPLAY A SIGN  
21 PRINTED IN AT LEAST TWELVE-POINT BOLD TYPE CONTAINING THE NOTICE PRESCRIBED  
22 BY SUBSECTION B OF THIS SECTION AND THE FOLLOWING NOTICE AT EACH DESK IN EACH  
23 LICENSED OFFICE OR BRANCH OFFICE AT WHICH FLEX LOANS ARE USUALLY AND NORMALLY  
24 CLOSED:

25 NOTICE: BEFORE SIGNING ANY LOAN DOCUMENTS OR OTHERWISE  
26 COMMITTING TO A LOAN, YOU MAY TAKE COPIES OF THOSE DOCUMENTS  
27 AWAY FROM THE FLEX LENDER'S PLACE OF BUSINESS FOR REVIEW.

28 D. A LICENSEE SHALL GIVE TO THE CONSUMER A RECEIPT OR ANOTHER WRITTEN  
29 RECORD OF THE AMOUNT OF ANY PAYMENT MADE IN CURRENCY ON ANY FLEX LOAN, EITHER  
30 AT THE TIME THE PAYMENT IS MADE OR WITHIN TEN DAYS AFTER THE PAYMENT IS MADE,  
31 OR THE LICENSEE MAY REFLECT THE PAYMENT ON THE PERIODIC STATEMENT SENT TO THE  
32 CONSUMER FOR THE BILLING PERIOD THAT INCLUDES THE DATE OF THAT PAYMENT.

33 E. A LICENSEE SHALL MAIL PERIODIC STATEMENTS FOR FLEX LOANS TO THE  
34 CONSUMER WITHIN FOURTEEN DAYS AFTER THE END OF EACH MONTHLY BILLING CYCLE  
35 PERIOD. A BILLING CYCLE PERIOD IS CONSIDERED MONTHLY IF THE CLOSING DATE OF  
36 THE BILLING CYCLE PERIOD IS THE SAME DAY EACH MONTH OR DOES NOT VARY BY MORE  
37 THAN FOUR DAYS FROM THAT DAY.

38 F. IF THE LICENSEE FAILS TO MAKE THE DISCLOSURE STATEMENT PRESCRIBED  
39 IN SUBSECTION B OF THIS SECTION, THE SUPERINTENDENT SHALL ASSESS THE LICENSEE  
40 A ONE-TIME CIVIL PENALTY OF UP TO THREE HUNDRED DOLLARS FOR EVERY VIOLATION.

41 6-1832. Amount of loan; finance charges

42 A LICENSEE MAY NOT OFFER A FLEX LOAN OF MORE THAN THREE THOUSAND  
43 DOLLARS. A LICENSEE MAY CONTRACT FOR AND RECEIVE FINANCE CHARGES ON FLEX  
44 LOANS AT A RATE OF THIRTY-SIX PERCENT PER ANNUM.

1           6-1833. Computation of finance charges

2           A. A LICENSEE SHALL COMPUTE PERIODIC FINANCE CHARGES ON FLEX LOANS ON  
3 THE UNPAID BALANCE OF THE FLEX LOAN BY EITHER OF THE FOLLOWING METHODS:

4           1. BY MULTIPLYING THE DAILY PERIODIC RATE BY THE ACTUAL UNPAID BALANCE  
5 OF THE FLEX LOAN EACH DAY DURING THE BILLING CYCLE PERIOD. THE DAILY  
6 PERIODIC RATE SHALL BE DETERMINED BY DIVIDING THE ANNUAL PERCENTAGE RATE BY  
7 THREE HUNDRED SIXTY-FIVE.

8           2. BY MULTIPLYING THE MONTHLY PERIODIC RATE BY THE AVERAGE DAILY  
9 BALANCE OF THE FLEX LOAN DURING THE BILLING CYCLE. THE AVERAGE DAILY BALANCE  
10 IS THE SUM OF THE UNPAID BALANCES OF THE FLEX LOAN EACH DAY DURING THE  
11 BILLING CYCLE PERIOD DIVIDED BY THE NUMBER OF DAYS IN THE BILLING CYCLE  
12 PERIOD. THE MONTHLY PERIODIC RATE IS DETERMINED BY DIVIDING THE ANNUAL  
13 PERCENTAGE RATE BY TWELVE. THE UNPAID BALANCE ON ANY DAY IS DETERMINED BY  
14 ADDING TO ANY BALANCE UNPAID AS OF THE BEGINNING OF THAT DAY ALL ADVANCES AND  
15 ALLOWED ADDITIONAL FEES AND DEDUCTING ALL PAYMENTS AND OTHER CREDITS TO THE  
16 FLEX LOAN THAT DAY.

17           B. A LICENSEE MAY COMPUTE FINANCE CHARGES ONLY ON THE UNPAID PRINCIPAL  
18 BALANCE. A LICENSEE MAY NOT COMPOUND FINANCE CHARGES.

19           C. IF PART OR ALL OF THE PRINCIPAL OF A FLEX LOAN IS THE UNPAID  
20 PRINCIPAL BALANCE OF A PREVIOUS FLEX LOAN, THE PRINCIPAL AMOUNT PAYABLE UNDER  
21 THE SUBSEQUENT FLEX LOAN MAY INCLUDE ANY UNPAID FINANCE CHARGES ON THE  
22 PREVIOUS FLEX LOAN THAT HAVE ACCRUED WITHIN SIXTY DAYS BEFORE THE MAKING OF  
23 THE SUBSEQUENT FLEX LOAN.

24           6-1834. Repayment of flex loan

25           A FLEX LOAN SHALL REQUIRE MINIMUM PAYMENTS ON OR BEFORE THE DUE DATE OF  
26 EACH BILLING CYCLE, INSTALLMENTS OF PRINCIPAL, FINANCE CHARGES AND FEES  
27 COMBINED WITH A MINIMUM MONTHLY PAYMENT THAT REDUCES THE PRINCIPAL  
28 OUTSTANDING LOAN BALANCE EACH MONTH BY NOT LESS THAN FIVE PERCENT. THE FIRST  
29 BILLING CYCLE OF A FLEX LOAN IS DUE NOT LESS THAN FIFTEEN DAYS BUT NOT MORE  
30 THAN FORTY-FIVE DAYS AFTER THE FLEX LOAN IS MADE.

31           6-1835. Other allowable fees; annual reporting

32           A. IN ADDITION TO THE FINANCE CHARGES AUTHORIZED BY SECTION 6-1832, A  
33 LICENSEE MAY CONTRACT FOR AND RECEIVE AND COLLECT FINANCE CHARGES ON THE  
34 FOLLOWING FEES:

35           1. A DELINQUENCY CHARGE IN AN AMOUNT EQUAL TO FIVE PERCENT OF THE  
36 AMOUNT OF ANY INSTALLMENT NOT PAID IN FULL WITHIN SEVEN DAYS AFTER ITS DUE  
37 DATE.

38           2. A CUSTOMARY FEE TO DEFRAY THE ORDINARY COSTS OF OPENING,  
39 ADMINISTRATING AND TERMINATING A FLEX LOAN PLAN, INCLUDING COSTS ASSOCIATED  
40 WITH:

- 41           (i) UNDERWRITING AND DOCUMENTING THE ACCOUNT.
- 42           (ii) SECURING AND MAINTAINING THE ACCOUNT INFORMATION.
- 43           (iii) VALIDATING CONSUMER INFORMATION.
- 44           (iv) OFFERING ELECTRONIC AND TELEPHONE ACCESS TO ACCOUNTS.
- 45           (v) PROCESSING ACCOUNT TRANSACTIONS.

1 (vi) RESPONDING TO CONSUMER INQUIRIES.  
2 (vii) PROVIDING PERIODIC BILLING STATEMENTS.  
3 (viii) ALL OTHER SERVICES OR ACTIVITIES CONDUCTED BY THE LICENSEE  
4 UNDER THE FLEX LOAN PLAN.  
5 3. COURT COSTS.  
6 4. REASONABLE ATTORNEY FEES IF THE FLEX LOAN IS REFERRED FOR  
7 COLLECTION TO AN ATTORNEY OTHER THAN A SALARIED EMPLOYEE OF THE LICENSEE.  
8 B. THE CUSTOMARY FEE DESCRIBED IN SUBSECTION A, PARAGRAPH 3 OF THIS  
9 SECTION IS NOT INTEREST AND MAY NOT EXCEED A DAILY RATE OF ONE-HALF OF ONE  
10 PERCENT OF THE ACTUAL DAILY PRINCIPAL BALANCE IN ANY BILLING CYCLE.  
11 C. IF A LICENSEE RECEIVES A CHECK, DRAFT, NEGOTIABLE ORDER OF  
12 WITHDRAWAL OR SIMILAR INSTRUMENT DRAWN ON A DEPOSITORY INSTITUTION THAT IS  
13 OFFERED BY A CONSUMER IN FULL OR PARTIAL PAYMENT ON A FLEX LOAN AND THE  
14 INSTRUMENT IS NOT PAID OR IS DISHONORED BY THE DEPOSITORY INSTITUTION, THE  
15 LICENSEE MAY CHARGE AND COLLECT FROM THE CONSUMER A DISHONORED CHECK SERVICE  
16 FEE EQUAL TO THE ACTUAL CHARGES ASSESSED BY THE FINANCIAL INSTITUTION OF THE  
17 HOLDER OR PAYEE OR THE ASSIGNEE OF THE HOLDER OR PAYEE AS A RESULT OF THE  
18 DISHONORED INSTRUMENT.  
19 D. IN ADDITION TO THE FINANCE CHARGES AND FEES PROVIDED IN THIS  
20 ARTICLE, THE LICENSEE MAY NOT DIRECTLY OR INDIRECTLY CHARGE, CONTRACT FOR OR  
21 RECEIVE ANY FURTHER OR OTHER AMOUNT IN CONNECTION WITH A FLEX LOAN.  
22 E. IN CONJUNCTION WITH THE REPORTING REQUIREMENTS PRESCRIBED IN  
23 SECTION 6-1809, ON OR BEFORE OCTOBER 1 EACH YEAR, A LICENSEE SHALL REPORT TO  
24 THE SUPERINTENDENT THE NUMBER OF FLEX LOANS UNDER ONE THOUSAND DOLLARS MADE  
25 IN THE PRIOR TWO YEARS.  
26 6-1836. Loans from theft or fraud; consumer not responsible;  
27 correction of credit information  
28 A LICENSEE MAY NOT HOLD A PERSON RESPONSIBLE FOR ANY LOAN AMOUNT THAT  
29 IS INCURRED AS A RESULT OF A VIOLATION OF SECTION 13-2008, 13-2009, 13-2010  
30 OR 13-2310. WITHIN THIRTY DAYS AFTER A LICENSEE IS AWARE THAT A LOAN IS A  
31 RESULT OF A VIOLATION OF SECTION 13-2008, 13-2009, 13-2010 OR 13-2310, THE  
32 LICENSEE SHALL IMMEDIATELY CORRECT ANY DEROGATORY CREDIT INFORMATION THAT IS  
33 REPORTED TO A CONSUMER REPORTING AGENCY AS DEFINED IN SECTION 44-1691 AND  
34 THAT IS THE RESULT OF THE VIOLATION.