

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB77

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: January 24, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 77 would amend the Nebraska Installment Sales Act and the Nebraska Installment Loan Act to clarify the manner in which charges for debt cancellation contracts and debt suspension contracts and charges for electronic title and lien services are to be treated. The bill clarifies, consistent with other state and federal laws and regulations, that fees paid in connection with debt cancellation contracts and debt suspension contracts are included in the definition of "basic time price" under Neb.Rev.Stat. §45-335(8) and in the calculation of "basic time price" under Neb.Rev.Stat. §45-336. Similar treatment is provided for fees paid for electronic title and lien services to allow these fees to be treated as part of the amount financed under an installment sales contract or installment loan.

LB 77 also broadens the scope of entities authorized to offer debt cancellation contracts and debt suspension contracts in the state under both the Nebraska Installment Sales Act and the Nebraska Installment Loan Act to include entities licensed under the respective acts and subjects offerings of such contracts to the same restrictions applicable to offerings by financial institutions.

Principal Introducer: _____

Senator Rich Pahls