

## House Amendments to Senate Bill No. 2374

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

1           **AMEND** by inserting the following after the period on line 29:  
2 "This paragraph shall stand repealed on July 1, 2008."

HR20\SB2374A.J

### AMENDMENT NO. 2

1           **AMEND** by deleting the language on lines 23 through 29

HR03\SB2374A.2J

### AMENDMENT NO. 3

1           **AMEND** on line 24 by inserting the following after the word  
2 "the": "licensee inform the borrower in writing that the"

3           **AMEND FURTHER** on line 29 after the period by inserting the  
4 following: "The notification shall be initialed by the buyer."

HR03\SB2374A.4J

### AMENDMENT NO. 4

1           **AMEND** by inserting the following paragraph after line 22:  
2 "In addition, after the licensee has fully approved the loan  
3 to the borrower, the licensee may offer the borrower the  
4 opportunity to purchase an auto club membership. The licensee  
5 shall inform the borrower in writing that the purchase of an auto  
6 club membership is optional and is not required as a condition of  
7 receiving the loan, and that failure to purchase an auto club  
8 membership will not affect the licensee's approval of the loan or  
9 the receipt of the loan by the borrower. If the borrower chooses  
10 to purchase an auto club membership, the licensee shall allow the  
11 borrower to pay the cost of the auto club membership using funds  
12 other than the proceeds of a loan or have the cost deducted from  
13 the proceeds of any loan obtained from the licensee. The borrower  
14 shall be allowed to cancel the auto club membership for a full

15 refund of the purchase price at any time within thirty (30) days  
16 after the date of purchase from the licensee if the borrower has  
17 not used any of the services provided through the auto club  
18 membership. The commissioner shall monitor the number of loans  
19 made by licensees with which the borrower chooses to purchase an  
20 auto club membership, and shall report that information to the  
21 Chairmen of the House Banking and Financial Services Committee and  
22 the Senate Business and Financial Institutions Committee by  
23 January 1, 2007. This paragraph shall stand repealed on July 1,  
24 2008."

25       **AMEND FURTHER** the title by deleting lines 2 through 5 in  
26 their entirety and inserting in lieu thereof the following:  
27 "TO AUTHORIZE SMALL LOAN LICENSEES TO OFFER BORROWERS THE  
28 OPPORTUNITY TO PURCHASE AUTO CLUB MEMBERSHIPS AFTER THE LICENSEE  
29 HAS FULLY APPROVED THE LOAN TO THE BORROWER; TO REQUIRE THE  
30 LICENSEE TO INFORM THE BORROWER IN WRITING THAT THE PURCHASE OF AN  
31 AUTO CLUB MEMBERSHIP IS NOT REQUIRED AS A CONDITION OF RECEIVING  
32 THE LOAN, AND THAT FAILURE TO PURCHASE AN AUTO CLUB MEMBERSHIP  
33 WILL NOT AFFECT THE LICENSEE'S APPROVAL OF THE LOAN OR THE RECEIPT  
34 OF THE LOAN BY THE BORROWER; TO AUTHORIZE THE BORROWER TO CANCEL  
35 THE AUTO CLUB MEMBERSHIP FOR A FULL REFUND OF THE PURCHASE PRICE  
36 WITHIN THIRTY DAYS AFTER THE DATE OF PURCHASE; AND FOR RELATED  
37 PURPOSES."

HR20\SB2374A.1J

Don Richardson  
Clerk of the House of Representatives