

**Adopted
AMENDMENT NO 4 PROPOSED TO**

Senate Bill No. 2374

BY: Representatives Holloway, Guice

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 This paragraph shall stand repealed on July 1,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."