

HB 522 -- Payday Loans

Sponsor: Rizzo

This bill changes the laws regarding unsecured loans of \$500 or less, commonly known as payday loans. In its main provisions, the bill:

- (1) Limits the interest and other fees that may be charged on the loans to no more than \$15 per \$100 of principal for the first 30 days of the loan and not more than 3% per month thereafter;
- (2) Prohibits repeated renewals of loans to circumvent interest rate restrictions;
- (3) Grants jurisdiction to the Attorney General to issue cease and desist orders against violators;
- (4) Allows the Attorney General to maintain an action in circuit court against any lender who fails, refuses, or neglects to comply with the provisions of the bill or any law relating to consumer loans to issue an injunction, restraining order, or declaratory judgment; to impose a civil penalty of up to \$1,000 per day for each day that a violation continues; or to impose an order of rescission, restitution, or disgorgement;
- (5) Specifies that the limitations on interest and other fees apply to all lenders, whether or not they are properly licensed pursuant to Chapter 408, RSMo; and
- (6) Changes the requirement that the Division of Finance within the Department of Insurance, Financial Institution and Professional Registration report to the General Assembly regarding the number of licenses issued and other specified loan information from every other year to every year.