

1 AMENDMENT TO HOUSE BILL 4106

2 AMENDMENT NO. _____. Amend House Bill 4106, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 1. Short title. This Act may be cited as the
6 Tax Refund Anticipation Loan Disclosure Act.

7 Section 5. Definitions. The following definitions apply
8 in this Act:

9 "Facilitator" means a person who individually or in
10 conjunction or cooperation with another person makes a refund
11 anticipation loan, processes, receives, or accepts for
12 delivery an application for a refund anticipation loan,
13 issues a check in payment of refund anticipation loan
14 proceeds, or in any other manner acts to allow the making of
15 a refund anticipation loan. "Facilitator" does not include a
16 bank, savings and loan association, credit union, or licensee
17 under the Consumer Installment Loan Act operating under the
18 laws of the United States or this State and does not include
19 any person who acts solely as an intermediary and does not
20 deal with the public in the making of the refund anticipation
21 loan.

22 "Borrower" means a person who receives the proceeds of a

1 refund anticipation loan.

2 "Refund anticipation loan" means a loan arranged to be
3 repaid directly from the proceeds of a borrower's income tax
4 refunds.

5 "Refund anticipation loan fee" means the charges, fees,
6 or other consideration charged or imposed by the facilitator
7 for the making of a refund anticipation loan. A "refund
8 anticipation loan fee" does not include charges, fees, or
9 other consideration charged or imposed in the ordinary course
10 of business by a facilitator for services that do not result
11 in the making of a loan, including fees for tax return
12 preparation and fees for electronic filing of tax returns.

13 Section 10. Disclosure requirements. At the time a
14 borrower applies for a refund anticipation loan, a
15 facilitator shall disclose to the borrower on a document that
16 is separate from the loan application:

- 17 (1) the refund anticipation loan fee schedule;
- 18 (2) the estimated fee for preparing and
19 electronically filing a tax return;
- 20 (3) the estimated date that the loan proceeds will
21 be paid to the borrower if the loan is approved;
- 22 (4) that the borrower is responsible for repayment
23 of the loan and related fees in the event the tax refund
24 is not paid or not paid in full; and
- 25 (5) the availability of electronic filing for the
26 income tax return of the borrower and the average time
27 announced by the federal Internal Revenue Service within
28 which the borrower can expect to receive a refund if the
29 borrower's return is filed electronically and the
30 borrower does not obtain a refund anticipation loan.

31 Section 15. Penalty. Any person who violates this Act is
32 guilty of a petty offense and shall be fined \$500 for each

1 offense. In addition, a facilitator who violates this Act
2 shall be liable to any aggrieved borrower in an amount equal
3 to 3 times the refund anticipation loan fee, plus a
4 reasonable attorney's fee, in a civil action brought in the
5 circuit court by the aggrieved borrower or by the Attorney
6 General on behalf of the aggrieved borrower.

7 Section 99. Effective date. This Act takes effect on
8 January 1, 2003."