

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB553

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: January 31, 2011

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

LB553 Extends the provision that prohibits a delayed deposit licensee (payday lender) from entering into a transaction with a potential maker (customer) who has an incomplete transaction(s) in an aggregate face amount of five hundred dollars with such licensee to apply to any other licensee as well.

To enforce the Delayed Deposit Services Licensing Act and its new provisions, LB 553 creates a state-wide, real time database to be implemented on or before January 1, 2014. The bill requires the Nebraska Department of Banking and Finance to enter into a contract with a third-party data base provider to develop, implement, and maintain the data base. Prior to implementation, the third-party data base provider shall run a pilot program as prescribed. LB553 Establishes fees for the creation and maintenance of the database. The fees shall not be passed on to any maker (customer).

The information entered into the data base shall not be used for any other purpose except outlined in the Delayed Deposit Services Act. LB553 would provide the Nebraska Department of Banking and Finance the ability to take stronger actions against any licensee who continually violates this Act.

Principal Introducer: _____

Senator Amanda McGill