

Legislative Analysis



REPORT ON PAYDAY LOANS

Phone: (517) 373-8080
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House Bill 4343 (S-2) as passed by the Senate
Sponsor: Rep. Jennifer A. Conlin
House Committee: Insurance and Financial Services
Senate Committee: Finance, Insurance, and Consumer Protection
Complete to 5-9-24

Analysis available at
<http://www.legislature.mi.gov>

(Enacted as Public Act 46 of 2024)

SUMMARY:

House Bill 4343 would amend the Deferred Presentment Service Transactions Act to require the director of the Department of Insurance and Financial Services (DIFS) to submit, each year for seven years, a report on deferred presentment service transactions (commonly known as payday loans) to the House and Senate committees concerned with banking and financial services. DIFS would also have to post the report on its website.

The report would have to be submitted and posted on the DIFS website by October 31, 2025, and every following October 31 through October 31, 2031. The report would have to include all of the following:

- The number of persons engaged in the business of providing deferred presentment service transactions in Michigan during the immediately preceding calendar year.
- A general report on the business of providing deferred presentment service transactions in Michigan during the immediately preceding calendar year. This report would have to include information about the number of licensees, the number of customers, and the number and amount of transactions, reported in the following format:
 - A summary of the deferred presentment service transaction program fees received by DIFS.
 - Statewide statistics concerning transaction volumes by month, transaction amounts, fees, and averages, active license locations, the total number of customers, and drawer usage of repayment plans.
 - Statistics, reported by county or zip code, concerning provider locations, transaction volumes, total amount of advances, total fees for advances, average advance amounts, average advance fees, the total number of repeat drawers, and the total number of licensee locations.
- The name and street address of each licensee in the state during the immediately preceding calendar year.
- The number of complaints filed with DIFS against licensees and nonlicensees arising from transactions that took place in this state during the immediately preceding calendar year.
- Any additional information the director of DIFS considers relevant.

MCL 487.2171

BACKGROUND:

The bill is substantially similar to House Bill 4828 of the 2021-22 legislative session as that bill was passed by the House of Representatives.

According to committee testimony, DIFS already collects this information but does not compile and publish it.

FISCAL IMPACT:

House Bill 4343 would not have a significant fiscal impact on the Department of Insurance and Financial Services or on other units of state or local government. The bill would require additional reporting from the department, but that activity could likely be sufficiently conducted utilizing existing department resources.

POSITIONS:

Representative of the following entities testified in support of the bill (5-11-23):

- Department of Insurance and Financial Services
- Michigan Catholic Conference
- Community Economic Development Association of Michigan

The following entities indicated support for the bill:

- Community Development Advocates of Detroit (5-11-23)
- Regulated Lenders Association of Michigan (5-11-23)
- Michigan League for Public Policy (5-11-23)
- Lake Trust Credit Union (5-11-23)
- Michigan Poverty Law Program (5-11-23)
- Center for Civil Justice (5-11-23)
- Michigan Credit Union League (5-11-23)
- Michigan Bankers Association (5-11-23)
- Team Wellness (5-18-23)

Legislative Analyst: Alex Stegbauer
Fiscal Analyst: Marcus Coffin

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.