HOUSE BILL NO. HB0088

Post-dated checks.

Sponsored by: Representative(s) Throne and Zwonitzer, Dn. and Senator(s) Von Flatern

A BILL

for

AN ACT relating to the Uniform Consumer Credit Code; authorizing extended payment plans to repay post-dated check obligations; providing for rescission of post-dated check and similar arrangements; providing for notification relating to payday check cashing laws; renumbering existing provision; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 40-14-365 through 40-14-367 are created to read:

40-14-365. Right to rescind.

A post-dated check or similar arrangement with a post-dated check casher may be rescinded by the consumer on or before

5:00 p.m. Mountain Standard Time of the following business day, provided that the consumer returns to the post-dated check casher in cash or certified funds the full original amount of funds advanced. A rescission under this section shall be at no cost to the consumer.

40-14-366. Extended payment plan; terms and conditions.

(a) Subject to the terms and conditions of this section, a consumer who is unable to repay a post-dated check or similar arrangement when due may elect once every twelve (12) months to repay the post-dated check or similar arrangement by means of an extended payment plan. The twelve (12) month period shall be measured from the date the consumer pays in full one extended payment plan with the post-dated check casher until the date that the consumer enters into another extended payment plan with the post-dated check casher.

(b) To request an extended payment plan, the consumer, before 5:00 p.m. Mountain Standard Time on the last business day before the due date of the outstanding post-dated check or similar arrangement, shall request the plan and sign an amendment to the original agreement which memorializes the plan's terms.

(c) The extended payment plan's terms shall allow the consumer to repay the outstanding post-dated check or similar arrangement including any fee due in at least four (4) substantially equal installments and over a time period of at least sixty (60) days. Each plan installment shall be due on or after a date on which the consumer receives regular income, or if the consumer has no regular income due dates shall be a minimum of two (2) weeks between installments. The consumer may prepay an extended payment plan in full at any time without penalty. As long as the consumer complies with the terms of the extended payment plan, the plan shall be at no additional cost to the consumer and the post-dated check casher shall not charge the consumer any interest or additional fees during the term of the extended payment plan. The post-dated check casher may, with each payment under the plan by a consumer, provide for the return of the consumer's prior held check and require a new check for the remaining balance under the plan.

(d) If the consumer fails to pay any extended payment plan installment when due, the consumer shall be in default of the payment plan and the post-dated check casher immediately may accelerate payment on the remaining balance and take action to collect all amounts due. Upon default, notwithstanding W.S. 40-14-363(a), the post-dated check casher may charge the consumer interest on the outstanding balance at an annual rate equal to six percent (6%) plus the prime rate as listed in the Wall Street Journal on January 1 of the year in which the consumer defaults.

40-14-367. Notification.

(a) A post-dated check casher shall provide the following written notice with each post-dated check or similar arrangement and obtain the signature of the consumer indicating receipt of the notice:

NOTICE

1. STATE LAW PROHIBITS A POST-DATED CHECK OR SIMILAR ARRANGEMENT FROM BEING REPAID, REFINANCED OR OTHERWISE CONSOLIDATED BY PROCEEDS OF ANOTHER POST-DATED CHECK OR

SIMILAR ARRANGEMENT ACCEPTED BY THE SAME POST-DATED CHECK CASHER.

2. PAYDAY ADVANCES SHOULD BE USED FOR SHORT-TERM FINANCIAL NEEDS ONLY, NOT AS A LONG-TERM FINANCIAL SOLUTION. CUSTOMERS WITH CREDIT DIFFICULTIES SHOULD SEEK CREDIT COUNSELING.

Section 2. W.S. 40-14-362(a)(intro) and 40-14-363(b) are amended to read:

40-14-362. Definitions.

(a) As used in W.S. 40-14-362 through ~~40-14-364~~ 40-14-367:

40-14-363. License required; post-dated check finance charge; limits on amount financed and terms; minimum finance charge.

(b) The maximum term of any post-dated check or similar arrangement subject to this part shall be one (1) calendar month. Extended payment plans under W.S. 40-14-366 are not subject to this subsection.

Section 3. W.S. 40-14-365 is renumbered as 40-14-368.

Section 4. This act is effective July 1, 2014.

(END)