

HOUSE BILL No. 4834

May 26, 2005, Introduced by Reps. McConico, Hunter, Leland, Ward, Brown, Adamini, Mayes, Clemente, Dillon, Accavitti, Gillard, Farrah, Hune, Palsrok, Williams, Lipsey, Lemmons, Jr., Kolb, Condino, Wojno, Hildenbrand, Green, Cheeks and Lemmons, III and referred to the Committee on Banking and Financial Services.

A bill to regulate the business of providing deferred presentment service transactions; to require the licensing of providers of deferred presentment service transactions; to prescribe powers and duties of certain state agencies and officials; and to prescribe penalties and provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE 1

Sec. 1. This act shall be known and may be cited as the "deferred presentment service transactions act".

Sec. 2. (1) As used in this act:

(a) "Applicant" means a person seeking a license to engage in the business of providing deferred presentment service transactions under this act.

1 (b) "Check" means a draft payable on demand and drawn on a
2 bank, savings bank, savings and loan association, or credit union.
3 Check includes any negotiable instrument that represents evidence
4 of an obligation to pay even if it is described on its face by
5 another term.

6 (c) "Closed" in connection with a deferred presentment service
7 transaction means that 1 of the following has occurred concerning
8 each of the customer's checks that is the basis of the deferred
9 presentment service transaction:

10 (i) The check is redeemed by the customer by payment to the
11 licensee of the face amount of the check in cash.

12 (ii) The check is exchanged by the licensee for a cashier's
13 check or cash from the customer's financial institution.

14 (iii) The check is deposited by the licensee and the licensee
15 has evidence that the person has satisfied the obligation.

16 (iv) The check is collected by the licensee or its agent
17 through any civil remedy available under the laws of this state.

18 (v) The check is collected by means of a repayment plan agreed
19 upon by the customer and the licensee or as the result of credit
20 counseling where the licensee is paid the amount agreed upon by the
21 licensee under that plan.

22 (d) "Commissioner" means the commissioner of the office of
23 financial and insurance services or his or her authorized
24 representative.

25 (e) "Customer" means an individual who inquires into the
26 availability of or applies for a deferred presentment service
27 transaction or a drawer who enters into a deferred presentment

1 service transaction.

2 (f) "Database provider" means 1 of the following:

3 (i) A third party provider selected by the commissioner under
4 section 22 to operate the statewide database described in that
5 section.

6 (ii) If the commissioner has not selected a third party
7 provider under section 22, the commissioner.

8 (g) Subject to subsection (2), "deferred presentment service
9 transaction" means a transaction between a licensee and a customer
10 under which the licensee agrees to do all of the following:

11 (i) Pay to the customer an agreed-upon amount in exchange for a
12 fee.

13 (ii) Hold a customer's check for a period of time before
14 negotiation, redemption, or presentment of the checks.

15 (h) "Drawee" means a bank, savings bank, savings and loan
16 association, credit union, or other person upon which a check is
17 drawn.

18 (i) "Drawer" means a customer who enters into a deferred
19 presentment service transaction with a licensee.

20 (j) "Executive officer" means an officer or director of a
21 licensee or any other individual who has the authority to
22 participate in the direction, directly or indirectly, through 1 or
23 more persons, or the management or policies of a licensee.

24 (k) "Financial licensing act" means this act, the consumer
25 financial services act, 1988 PA 161, MCL 487.2051 to 487.2072, or
26 any of the acts listed in section 2(d) of the consumer financial
27 services act, 1988 PA 161, MCL 487.2052.

(1) "Licensee" means a person licensed to engage in the business of providing deferred presentment service transactions under this act.

(m) "Maturity date" means the date on which a drawer's check is to be redeemed, presented for payment, or entered into the check-clearing process in a deferred presentment service transaction.

(n) "Office" means the office of financial and insurance services of the department of labor and economic growth.

(o) "Person" means an individual, partnership, association, corporation, limited liability company, or other legal entity except a governmental entity.

(2) Deferred presentment service transaction does not include a delay in presentment of a loan repayment check, at the request of the borrower, by a person licensed or registered under the consumer financial services act, 1988 PA 161, MCL 487.2051 to 487.2072, the regulatory loan act, 1939 PA 21, MCL 493.1 to 493.24, the secondary mortgage loan act, 1981 PA 125, MCL 493.51 to 493.81, the motor vehicle sales finance act, 1950 (Ex Sess) PA 27, MCL 492.101 to 492.141, 1984 PA 379, MCL 493.101 to 493.114, the sale of checks act, 1960 PA 136, MCL 487.901 to 487.916, or the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684.

ARTICLE 2

Sec. 11. (1) Except as provided in subsections (2) and (3), a person shall not engage in the business of providing deferred presentment service transactions without a license under this act.

1 A separate license is required for each location from which the
2 business of providing deferred presentment service transactions is
3 conducted.

4 (2) This act does not apply to a state or nationally chartered
5 bank or a state or federally chartered savings and loan
6 association, savings bank, or credit union whose deposits or member
7 accounts are insured by an agency of the United States government.

8 (3) All of the following apply to a person engaged in the
9 business of providing deferred presentment services in this state
10 on the effective date of this act:

11 (a) By July 1, 2006, the commissioner by administrative
12 bulletin, order, or rule shall establish an application process and
13 an application timeline that includes a deadline for submitting a
14 complete application.

15 (b) If the person intends to continue to provide deferred
16 presentment service transactions, it shall submit its complete
17 application with the commissioner by the application deadline
18 established by the commissioner under subdivision (a).

19 (c) The person may continue to engage in the business of
20 providing deferred presentment service transactions in this state
21 after the effective date of this act and without a license until 1
22 of the following occurs:

23 (i) The person fails to meet its application deadline.

24 (ii) The commissioner acts on the person's complete
25 application.

26 (d) The person must comply with articles 3 and 4 during the
27 time period described in subdivision (c).

1 Sec. 12. To obtain a license, an applicant shall satisfy all
2 of the following requirements:

3 (a) Have and maintain net worth of at least \$50,000.00 for
4 each licensed location, subject to a maximum of \$250,000.00 in
5 required net worth for any 1 licensee.

6 (b) Demonstrate to the commissioner that the applicant has the
7 financial responsibility, financial condition, business experience,
8 character, and general fitness to reasonably warrant a belief that
9 the applicant will conduct its business lawfully and fairly. In
10 determining whether this subdivision is satisfied, and for the
11 purpose of investigating compliance with this act, the commissioner
12 may review any of the following:

13 (i) The relevant business records and the capital adequacy of
14 the applicant.

15 (ii) The competence, experience, integrity, and financial
16 ability of any person who is a member, partner, executive officer,
17 or a shareholder with 10% or more interest in the applicant.

18 (iii) Any record regarding the applicant, or any person referred
19 to in subparagraph (ii), of any criminal activity, fraud, or other
20 act of personal dishonesty, any act, omission, or practice that
21 constitutes a breach of a fiduciary duty, or any suspension,
22 removal, or administrative action by any agency or department of
23 the United States or any state.

24 Sec. 13. (1) An applicant shall submit an application for a
25 license to the commissioner. Each application for a license shall
26 be in writing and under oath, in a form prescribed by the
27 commissioner, and shall include all of the following information:

1 (a) The name, street address, and telephone number of the
2 business location within this state from which the applicant will
3 offer deferred presentment service transactions, if available.

4 (b) The legal name, residence, street address, and telephone
5 number and business address of the applicant and, if the applicant
6 is not an individual, of each executive officer and each person who
7 directly or indirectly owns or controls 10% or more of the
8 ownership interest in the applicant.

9 (c) If the applicant will not operate a physical business
10 location in this state or if in addition to the location described
11 in subdivision (a) the applicant will make deferred presentment
12 service transactions by other means, a detailed description of the
13 manner in which deferred presentment service transactions will be
14 offered to customers in this state.

15 (d) Any other information the commissioner considers necessary
16 under this act.

17 (2) An applicant shall include an application fee in an amount
18 determined by the commissioner with the application described in
19 subsection (1).

20 Sec. 14. (1) A licensee shall pay a license fee, in an amount
21 determined by the commissioner under subsection (2), within 60 days
22 of submitting its license application, and then annually.

23 (2) The commissioner shall annually establish a schedule of
24 license fees based upon each licensee's business volume, number of
25 locations, and any other business factors considered reasonable by
26 the commissioner in order to generate funds sufficient to pay, but
27 not to exceed, the office's reasonably anticipated costs of

1 administering this act. A licensee shall pay the actual travel,
2 lodging, and meal expenses incurred by office employees who travel
3 out of state to examine the records of or investigate the licensee.

4 (3) Money received under this act shall be deposited in the
5 state treasury and credited to the office to be used only for the
6 operation of the office.

7 (4) In addition to the license fee required under subsection
8 (1), a licensee shall furnish a \$50,000.00 surety bond to secure
9 the performance of its obligations, issued by a bonding company or
10 insurance company authorized to do business in this state and in a
11 form satisfactory to the commissioner.

12 Sec. 15. (1) After the commissioner receives a completed
13 license application, the commissioner shall investigate to
14 determine whether the requirements of this act are satisfied. If
15 the commissioner finds that the requirements of this act are
16 satisfied, the commissioner shall issue to the applicant a license
17 to engage in deferred presentment service transactions.

18 (2) A licensee shall post a copy of its license in a
19 conspicuous location at the place of business of the licensee.

20 Sec. 16. (1) If the commissioner determines that an applicant
21 is not qualified to receive a license, the commissioner shall
22 notify the applicant in writing that the application has been
23 denied, stating the basis for denial.

24 (2) If the commissioner denies an application, or if the
25 commissioner fails to act on an application within 60 days after
26 the filing of a properly completed application, or within a longer
27 time period agreed to by the commissioner and the applicant, the

1 applicant may submit a written demand to the commissioner for a
2 hearing before the commissioner on the question of whether the
3 commissioner should grant a license. If a hearing is held, the
4 commissioner shall reconsider the application, and issue a written
5 order granting or denying the application after the hearing.

6 Sec. 17. (1) A license issued under this article is not
7 transferable or assignable.

8 (2) The prior written approval of the commissioner is required
9 for the continued operation of a licensee if there is a change in
10 control of that licensee. The commissioner may require information
11 considered necessary to determine whether a new application is
12 required. The person that requests the approval shall pay the cost
13 incurred by the commissioner in investigating the change of control
14 request.

15 (3) A licensee shall do all of the following:

16 (a) At least 15 days before providing deferred presentment
17 service transactions at any new location or under section 13(1)(c),
18 provide written notice to the commissioner on a form prescribed by
19 the commissioner of the name, street address, and telephone number
20 of the new location or the detailed description required in section
21 13(1)(c).

22 (b) At least 15 days before discontinuing deferred presentment
23 service transactions at any existing location or under section
24 13(1)(c), provide written notice to the commissioner on a form
25 prescribed by the commissioner of the name, street address, and
26 telephone number of the discontinued location or the detailed
27 description of the services required in section 13(1)(c).

1 (4) A licensee shall comply with any request for information
2 or documentation made by the commissioner under this act and shall
3 comply with any reasonable written time deadlines imposed by the
4 commissioner on that request.

5 (5) As used in this section, "control" means 1 of the
6 following:

7 (a) For a corporation, direct or indirect ownership of, or the
8 right to control, 10% or more of the voting shares of the
9 corporation, or the ability of a person to elect a majority of the
10 directors or otherwise effect a change in policy.

11 (b) For any entity other than a corporation, the ability to
12 change the principals of the organization, whether active or
13 passive.

14 Sec. 18. The commissioner may determine and identify by order
15 or rule events that may occur to a licensee that require the
16 licensee to file a written report with the commissioner describing
17 the event and its expected impact on the activities of the
18 licensee, on a form prescribed by the commissioner for the event.

19 Sec. 19. (1) Except as provided in subsection (2), a license
20 issued under this article shall expire on September 30 of each year
21 unless earlier suspended, surrendered, or revoked under this act. A
22 licensee may renew a license for a 12-month period by submitting a
23 complete application that shows continued compliance with this act,
24 in a form prescribed by the commissioner, and paying the license
25 renewal fee to the commissioner. The licensee shall submit a
26 renewal application under this subsection on or before August 1 and
27 the commissioner shall proceed in the manner described in sections

1 15(1) and 16.

2 (2) Before October 1, 2006, the commissioner may issue a
3 license to an applicant under this article that is for a period
4 longer than 12 months and that expires on September 30, 2007.

5 Sec. 20. (1) The commissioner may issue orders and rules that
6 he or she considers necessary to enforce and implement this act.
7 The commissioner shall make a copy of any order or rule issued
8 under this subsection available to each licensee within a
9 reasonable time after issuance.

10 (2) If any information previously submitted to the
11 commissioner by a licensee under this act is no longer accurate,
12 the licensee shall promptly file in writing with the commissioner a
13 correction of the information. If requested by the commissioner,
14 the licensee shall provide a written report of its business
15 operations, including information described in subsection (3),
16 within a reasonable time after the commissioner's request.

17 (3) If the commissioner has not implemented a database under
18 section 22 or the database described in that section is not fully
19 operational, as determined by the commissioner, a licensee shall do
20 all of the following:

21 (a) Provide an annual written report of its business
22 operations, including business volume and other information on the
23 business of providing deferred presentment service transactions.

24 (b) Every February 1, May 1, August 1, and November 1, report
25 to the commissioner on a form prescribed by the commissioner all of
26 the following:

27 (i) The number of customers who during the preceding calendar

1 quarter notified the licensee of a violation of this act.

2 (ii) A breakdown of the number of times the licensee agreed
3 that a violation of this act occurred and the number of times that
4 the licensee did not agree that a violation occurred.

5 (iii) If the licensee agreed that the violation occurred, the
6 amount of restitution that was paid to any customer under this act.

7 (iv) Any other information the commissioner considers necessary
8 under this act.

9 (4) To assure compliance with this act, the commissioner may
10 examine the relevant business, books, and records of any licensee.
11 The licensee shall pay the cost of the examination.

12 Sec. 21. (1) Each licensee shall keep and use in its business
13 any books, accounts, and records the commissioner requires under
14 this act. A licensee shall preserve the books, accounts, and
15 records for at least 3 years, unless applicable state or federal
16 law concerning record retention requires a longer retention period.

17 (2) If a licensee files a suspicious activity report with an
18 agency of the federal government, the licensee shall also within 24
19 hours file a copy of the suspicious activity report with the
20 department of state police. The licensee may file the suspicious
21 activity report with the department of state police in any manner
22 allowed by federal law or regulation or in any other manner
23 acceptable to the department of state police. Except for a
24 violation of 31 USC 5318(g), a licensee or an executive officer,
25 employee, or agent of the licensee is not liable in any civil or
26 governmental action for filing a copy of a suspicious activity
27 report under this subsection or failing to notify a customer or any

1 other person of the filing.

2 Sec. 22. (1) On or before December 31, 2006, the commissioner
3 shall develop, implement, and maintain a statewide, common database
4 that has real-time access through an internet connection, is
5 accessible at all time to licensees, and to the commissioner for
6 purposes of subsections (11) and (12), and meets the requirements
7 of this section.

8 (2) The commissioner may operate the database described in
9 subsection (1) or may select and contract with a single third party
10 provider to operate the database. If the commissioner contracts
11 with a third party provider for the operation of the database, all
12 of the following apply:

13 (a) The commissioner shall operate or ensure that a third
14 party provider selected as the database provider operates the
15 database pursuant to the provisions of this act.

16 (b) The commissioner shall consider cost of service and
17 ability to meet all the requirements of this section in selecting a
18 third party provider as the database provider.

19 (c) In selecting a third party provider to act as the database
20 provider, the commissioner shall give strong consideration to the
21 third party provider's ability to prevent fraud, abuse, and other
22 unlawful activity associated with deferred presentment service
23 transactions, provide additional credit information relevant to a
24 customer's ability to pay, and provide additional tools for the
25 administration and enforcement of this act.

26 (d) The database provider shall only use the data collected
27 under this act as prescribed in this act and the contract with the

1 office and for no other purpose.

2 (3) A database provider and a licensee may voluntarily enter
3 into a contract in which the database provider obtains, from that
4 licensee only, the same data that the licensee is required by this
5 section to provide to the state database.

6 (4) The database described in subsection (1) shall allow a
7 licensee accessing the database to do all of the following:

8 (a) Check a customer's social security number and report to
9 the commissioner or licensee if that social security number is
10 invalid, was issued within the 5-year period preceding the date of
11 the inquiry, or is issued to a deceased individual.

12 (b) Verify whether a customer has any open deferred
13 presentment service transactions with any licensee that have not
14 been closed.

15 (c) Provide information necessary to ensure licensee
16 compliance with any requirements imposed by the federal office of
17 foreign asset control under federal law.

18 (d) If that information is available in the database, provide
19 additional credit information relevant to a customer's ability to
20 pay if the commissioner determines that this is appropriate and
21 reasonable under this act. The database provider may make this
22 additional data available to licensees at their option and sole
23 expense. This additional data may include any of the following:

24 (i) Past performance data on deferred presentment service
25 transactions that the customer has entered into within or outside
26 of this state.

27 (ii) Inquiry information from deferred presentment service

1 providers outside of this state that indicate that the customer has
2 entered into deferred presentment service transactions outside of
3 this state.

4 (iii) Any other data the commissioner determines by rule as
5 appropriate, necessary, and reasonable under this act.

6 (e) Track and monitor the number of customers who notify a
7 licensee of violations of this act, the number of times a licensee
8 agreed that a violation occurred, the number of times that a
9 licensee did not agree that a violation occurred, the amount of
10 restitution paid, and any other information the commissioner
11 considers necessary under this subdivision.

12 (5) The database provider shall establish and maintain a
13 process for responding to transaction verification requests due to
14 technical difficulties occurring with the database that prevent the
15 licensee from accessing the database through the internet.

16 (6) When the database provider receives notification that a
17 deferred presentment service transaction is closed under section
18 34, the database provider shall designate the transaction as closed
19 in the database immediately, but in no event after 11:59 p.m. on
20 the day the commissioner or database provider receives
21 notification.

22 (7) The database provider shall automatically designate a
23 deferred presentment service transaction as closed in the database
24 5 days after the transaction maturity date unless a licensee
25 reports to the database provider before that time that the
26 transaction remain open because of the customer's failure to make
27 payment; that the transaction is open because the customer's check

1 or an electronic redeposit is in the process of clearing the
2 banking system; or that the transaction remains open because the
3 customer's check is being returned to the licensee for insufficient
4 funds, a closed account, or a stop payment order, or any other
5 factors determined by the commissioner. If a licensee reports the
6 status of a transaction as open in a timely manner, the transaction
7 remains an open transaction until it is closed under section 34 and
8 the database provider is notified that the transaction is closed
9 under that section.

10 (8) If a licensee stops providing deferred presentment service
11 transactions, the database provider shall designate all open
12 transactions with that licensee as closed in the database 60 days
13 after the date the licensee stops offering deferred presentment
14 service transactions, unless the licensee reports to the database
15 provider before the expiration of the 60-day period which of its
16 transactions remain open and the specific reason each transaction
17 remains open. The licensee shall also provide to the commissioner a
18 reasonably acceptable plan that outlines how the licensee will
19 continue to update the database after it stops offering deferred
20 presentment service transactions. The commissioner shall promptly
21 approve or disapprove the plan and immediately notify the licensee
22 of his or her decision. If the plan is disapproved, the licensee
23 may submit a new plan or may submit a modified plan for the
24 licensee to follow. If at any time the commissioner reasonably
25 determines that a licensee that has stopped offering deferred
26 presentment service transactions is not updating the database in
27 accordance with its approved plan, the commissioner shall

1 immediately close or instruct the database provider to immediately
2 close all remaining open transactions of that licensee.

3 (9) The response to an inquiry to the database provider by a
4 licensee shall only state that a person is eligible or ineligible
5 for a new deferred presentment service transaction and describe the
6 reason for that determination. Only the person seeking the
7 transaction may make a direct inquiry to the database provider to
8 request a more detailed explanation of a particular transaction
9 that was the basis for the ineligibility determination. Any
10 information regarding any person's transactional history is
11 confidential, is not subject to public inspection, and is not a
12 public record subject to the disclosure requirements of the freedom
13 of information act, 1976 PA 442, MCL 15.231 to 15.246.

14 (10) The database provider may charge licensees a verification
15 fee for access to the database, in amounts approved by the
16 commissioner under section 34(5).

17 (11) The commissioner may access the database provided under
18 subsection (1) only for the purposes of this act and shall not have
19 access to the additional data available to licensees under
20 subsection (4)(d).

21 (12) The commissioner shall investigate violations of and
22 enforce this section. The commissioner shall not delegate its
23 responsibilities under this subsection to any third party provider.

24 (13) Within 30 days after the implementation of the database,
25 as determined by the commissioner, a licensee shall enter into the
26 database all transactions entered into with customers during the
27 period from the effective date of this act to the date of the

1 implementation of the database.

2 ARTICLE 3

3 Sec. 31. (1) A licensee shall post prominently in an area
4 designed to be seen by the customer before he or she enters into a
5 deferred presentment service transaction the following notice in at
6 least 36-point type:

7 "1. A deferred presentment service transaction is not intended
8 to meet long-term financial needs. We can only defer cashing your
9 check for up to 31 days.

10 2. You should use this service only to meet short-term cash
11 needs.

12 3. State law prohibits us from entering into a transaction
13 with you if you already have a deferred presentment service
14 agreement in effect with us or have more than one deferred
15 presentment service agreement in effect with any other person who
16 provides this service.

17 4. If you enter into a transaction with us, we must
18 immediately give you a copy of your signed agreement.

19 5. We must pay the proceeds of a transaction to you in cash if
20 you request it.

21 6. State law entitles you to the right to cancel an agreement
22 and receive a refund of the fee. To do this, if you enter into a
23 transaction today, you must notify us and return the money you
24 receive by the time this office closes tomorrow or on our next
25 business day if we are not open tomorrow.

26 7. State law prohibits us from renewing an agreement for a
27 fee. You have to pay any other agreement in full before obtaining

1 additional money from us.

2 8. State law prohibits us from using any criminal process to
3 collect on an agreement.

4 9. State law entitles you to information regarding filing a
5 complaint against us if you believe that we have violated the law.
6 If you feel we are acting unlawfully, you should call the Office of
7 Financial and Insurance Services toll-free at 1-877-999-6442."

8 (2) A licensee shall post prominently in an area designed to
9 be seen by the customer before he or she enters into a deferred
10 presentment service transaction a schedule of all fees and charges
11 imposed for deferred presentment service transactions in at least
12 36-point type.

13 Sec. 32. (1) A licensee shall document a deferred presentment
14 service transaction by entering into a written deferred presentment
15 service agreement signed by both the customer and the licensee.

16 (2) A licensee shall include all of the following in the
17 written deferred presentment service agreement:

18 (a) The name of the customer.

19 (b) The name, street address, facsimile number, and telephone
20 number of the licensee.

21 (c) The signature and printed or typed name of the individual
22 who enters into the deferred presentment service agreement on
23 behalf of the licensee.

24 (d) The date of the transaction.

25 (e) The transaction number assigned by the database provider,
26 if any.

27 (f) The amount of the check presented to the licensee by the

1 customer.

2 (g) An itemization of the fees to be paid by the customer.

3 (h) A calculation of the cost of the fees and charges to the
4 customer, expressed as a percentage rate per year.

5 (i) A clear description of the customer's payment obligation
6 under the agreement.

7 (j) A schedule of all fees associated with the deferred
8 presentment service transaction and an example of the amounts the
9 customer would pay based on the amount of the deferred presentment
10 service transaction.

11 (k) The maturity date.

12 (l) A provision that the licensee will defer presentment, defer
13 negotiation, and defer entering a check into the check-clearing
14 process until the maturity date.

15 (m) A description of the process a drawer may use to file a
16 complaint against the licensee.

17 (n) The following notice in at least 12-point type:

18 "1. A deferred presentment service transaction is not intended
19 to meet long-term financial needs. We can only defer cashing your
20 check for up to 31 days.

21 2. You should use this service only to meet short-term cash
22 needs.

23 3. State law prohibits us from entering into this transaction
24 with you if you already have a deferred presentment service
25 agreement in effect with us or have more than one deferred
26 presentment service agreement in effect with any other person who
27 provides this service.

1 4. We must immediately give you a copy of your signed
2 agreement.

3 5. We must pay the proceeds of this transaction to you in cash
4 if you request it.

5 6. State law entitles you to the right to cancel this
6 agreement and receive a refund of the fee. To do this, you must
7 notify us and return the money you receive today by the time this
8 office closes tomorrow or on our next business day if we are not
9 open tomorrow.

10 7. State law prohibits us from renewing this agreement for a
11 fee. You have to pay an agreement in full before obtaining
12 additional money from us.

13 8. State law prohibits us from using any criminal process to
14 collect on this agreement.

15 9. State law entitles you to information regarding filing a
16 complaint against us if you believe that we have violated the law.
17 If you feel we are acting unlawfully, you should call the Office of
18 Financial and Insurance Services toll-free at 1-877-999-6442.".

19 Sec. 33. (1) A licensee may enter into 1 deferred presentment
20 service transaction with a customer for any amount up to \$500.00. A
21 licensee may charge the customer a service fee for each deferred
22 presentment service transaction. A service fee is earned by the
23 licensee on the date of the transaction and is not interest. A
24 licensee may charge both of the following as part of the service
25 fee, as applicable:

26 (a) An amount that does not exceed 15% of the deferred
27 presentment service transaction.

1 (b) An additional amount for loan verification under section
2 34(5) that does not exceed \$5.00.

3 (2) A licensee shall not enter into a deferred presentment
4 service transaction with a customer if the customer has an open
5 deferred presentment service transaction with the licensee or has
6 more than 1 open deferred presentment service transaction with any
7 other licensee, and shall verify whether the customer has an open
8 deferred presentment service transaction with the licensee or has
9 more than 1 open deferred presentment service transaction with any
10 other licensee by complying with section 34.

11 (3) At the time of entering into a deferred presentment
12 service transaction, a licensee shall do all of the following:

13 (a) Before the drawer signs the agreement, provide the
14 following notice to the drawer, in a document separate from the
15 agreement and in at least 12-point type:

16 "1. After signing this agreement, if you believe that we have
17 violated the law, you may do 1 of the following:

18 a. Before the close of business on the day you sign the
19 agreement, notify us in person of the violation. You must provide
20 supporting documents or other evidence of the violation.

21 b. At any time before signing a new deferred presentment
22 service agreement with us, notify us in writing of the violation.
23 Your written notice must state the violation and provide supporting
24 documents or other evidence of the violation.

25 2. We have 3 business days to determine if we agree that we
26 have violated the law and let you know of that determination.

27 3. If we agree that we have violated the law, we must return

1 your check and you must return the cash received under the
2 agreement. Additionally, for each violation, we must pay you
3 restitution equal to 5 times the amount of the fee we charged you
4 under the agreement but not less than \$15.00 or more than the face
5 amount of your check. If we pay you restitution for violating the
6 law, you cannot attempt to recover more from us for that violation.

7 4. If we do not agree that we have violated the law, we may
8 present your check for payment or enter your check into the check-
9 clearing process on or after the maturity date. If your check is
10 returned to us unpaid, we may take other legal steps to collect our
11 money.

12 5. If you still believe we violated the law, you may file a
13 written complaint including supporting documents or other evidence
14 with the Office of Financial and Insurance Services. The Office is
15 required to investigate your complaint and has the authority to
16 order us to pay you restitution if they agree that we violated the
17 law. In addition, the Office can order us to pay civil fines or
18 take away our right to do business. To do so, contact the Office of
19 Financial and Insurance Services toll-free at 1-877-999-6442."

20 (b) Provide a copy of the signed agreement to the drawer.

21 (c) Pay the proceeds under the agreement to the drawer in cash
22 if requested by the drawer. Otherwise, the licensee may pay the
23 proceeds under the agreement to the drawer by delivering a business
24 check of the licensee, a money order, or cash or by any other valid
25 method of monetary transfer.

26 (4) At the time of entering into a deferred presentment
27 service transaction, a licensee shall not do any of the following:

1 (a) Charge interest under the agreement.

2 (b) Include a maturity date that is more than 31 days after
3 the date of the transaction.

4 (c) Charge an additional fee for cashing the licensee's
5 business check if the licensee pays the proceeds to the drawer by
6 business check.

7 (d) Include a confession of judgment in the agreement.

8 (e) Except as provided in this act, charge or collect any
9 other fees for a deferred presentment service transaction.

10 (5) A licensee shall not refuse to provide a deferred
11 presentment service transaction to a customer solely because the
12 customer has exercised his or her rights under this act.

13 Sec. 34. (1) A licensee shall verify a customer's eligibility
14 to enter into a deferred presentment service transaction by doing 1
15 of the following, as applicable:

16 (a) If the commissioner has not implemented a database under
17 section 22 or the database described in section 22 is not fully
18 operational, as determined by the commissioner, verifying that the
19 customer does not have an open deferred presentment service
20 transaction with the licensee. The licensee shall maintain a
21 database of all of the licensee's transactions at all of its
22 locations and search that database to meet its obligation under
23 this subdivision.

24 (b) If the commissioner has implemented a database under
25 section 22 and the database described in that section is fully
26 operational, as determined by the commissioner, accessing the
27 database and verifying that the customer does not have an

1 outstanding deferred presentment service transaction with the
2 licensee and does not have more than 1 open deferred presentment
3 service transaction that has not been fully repaid with any other
4 licensee.

5 (2) If the commissioner has not implemented a database under
6 section 22; the database described in that section is not fully
7 operational, as determined by the commissioner; or the licensee is
8 unable to access the database and the alternative mechanism for
9 verification described in subsection (3) is also unavailable, as
10 determined by the commissioner, a licensee may rely upon the
11 written verification of the borrower in a statement provided in
12 substantially the following form in at least 12-point type:

13 "I DO NOT HAVE ANY OUTSTANDING DEFERRED PRESENTMENT SERVICE
14 TRANSACTIONS WITH THIS LICENSEE AND I DO NOT HAVE MORE THAN ONE
15 OUTSTANDING DEFERRED PRESENTMENT SERVICE TRANSACTION WITH ANY OTHER
16 LICENSED DEFERRED PRESENTMENT SERVICE PROVIDER IN THIS STATE.".

17 (3) If a licensee is unable to access the database described
18 in section 22 due to technical difficulties occurring with the
19 database, as determined by the commissioner, the licensee shall
20 utilize the process established in section 22(5) to verify
21 transactions.

22 (4) The commissioner may use the database to administer and
23 enforce this act.

24 (5) If approved by the commissioner, the database provider may
25 impose a database verification fee for entering, accessing, and
26 verifying data in the database described in section 22 to verify
27 that a customer does not have any other open deferred presentment

1 service transactions with the licensee and does not have more than
2 1 open deferred presentment service transaction with any other
3 licensees. A licensee may charge a customer all or part of the
4 database verification fee under section 33(1)(b) but may not charge
5 a customer any other fee except as authorized in section 33(1).

6 (6) A licensee may rely on the information contained in the
7 database described in section 22 as accurate and is not subject to
8 any administrative penalty or civil liability as a result of
9 relying on inaccurate information contained in the database.

10 (7) Before entering into a deferred presentment service
11 transaction, a licensee shall submit to the database provider the
12 customer's name, social security number, address, and driver
13 license number or other method of state identification, if
14 available, the amount of the transaction, the customer's check
15 number, the date of the transaction, the maturity date of the
16 transaction, and any other information reasonably required by the
17 commissioner or the database provider, in a format reasonably
18 required by the commissioner.

19 (8) When a deferred presentment service transaction is closed,
20 the licensee shall designate the transaction as closed and
21 immediately notify the database provider, but in no event after
22 11:59 p.m. on the day the transaction is closed. The commissioner
23 shall assess an administrative fine of \$100.00 for each day that
24 the licensee fails to notify the database provider that the
25 transaction has been closed. It is a defense to the assessment of
26 an administrative fine that notifying the database provider was not
27 possible due to temporary technical problems with the database or

1 to circumstances beyond the licensee's control.

2 Sec. 35. (1) A licensee shall not renew a deferred presentment
3 service agreement. A licensee may extend a deferred presentment
4 service agreement only if the licensee does not charge a fee in
5 connection with the extended transaction. A licensee who extends an
6 agreement under this subsection shall not create a balance owed
7 above the amount owed on the original agreement.

8 (2) A licensee shall not present a check for payment before
9 the maturity date. In addition to the remedies and penalties under
10 this act, a licensee that presents a check for payment before the
11 maturity date is liable for all expenses and damages caused to the
12 drawer and the drawee as a result of the violation.

13 (3) A drawer satisfies his or her obligation under a deferred
14 presentment service agreement when the check the licensee is
15 holding is paid by the drawee or is redeemed by the drawer by
16 paying to the licensee an amount equal to the full amount of the
17 check.

18 Sec. 36. (1) No later than the close of business on the day he
19 or she signed a deferred presentment service agreement, a drawer
20 who believes that a licensee has violated this act may notify the
21 licensee in person that the licensee has violated the act. The
22 drawer shall identify the nature of the violation and provide
23 documentary or other evidence of the violation at that time.

24 (2) At any time before signing a new deferred presentment
25 service agreement with a licensee, a drawer who believes that the
26 licensee has violated this act in connection with a deferred
27 presentment service transaction may deliver to the licensee a

1 notice in writing that the licensee has violated the act. The
2 drawer shall identify the nature of the violation and include
3 documentary or other evidence of the violation in the notice.

4 (3) No later than the close of the third business day after
5 receipt of a notice under subsection (1) or (2), the licensee shall
6 determine if it has violated the law as alleged in the notice.

7 (4) If the licensee determines that it has violated the law,
8 it shall return to the drawer the check it received in the deferred
9 presentment service transaction and any service fee paid by the
10 drawer to the licensee. The drawer shall deliver to the licensee
11 cash or a cash equivalent in an amount equal to the amount of cash
12 the drawer received in the transaction. In addition, the licensee
13 shall make restitution to the drawer for each violation in an
14 amount equal to 5 times the amount of the fee charged in the
15 deferred presentment service transaction, but not less than \$15.00
16 or more than the face amount of the drawer's check. A licensee that
17 makes restitution for a violation under this subsection is not
18 subject to any other remedy provided for a violation under this act
19 with respect to that violation. A licensee that makes restitution
20 for a violation under this subsection shall immediately notify the
21 commissioner of that action. The licensee shall give the
22 commissioner detailed information about the terms of the deferred
23 presentment service transaction and shall provide other information
24 requested by the commissioner.

25 (5) If the licensee determines that it did not violate the
26 law, the licensee shall immediately notify the commissioner and the
27 drawer of that determination. The licensee shall give the

1 commissioner detailed information about the terms of the deferred
2 presentment service transaction and shall provide other information
3 requested by the commissioner. The licensee shall include in the
4 notification to the drawer that the drawer has the right to file a
5 written complaint with the office if he or she does not agree with
6 the determination that the licensee did not violate the law. The
7 licensee shall include in the notice detailed information on how
8 the drawer can contact the office to obtain a complaint form.

9 (6) A drawer who receives a notice of determination by the
10 licensee that it did not violate the law may file a written
11 complaint with the office on a form prescribed by the commissioner.
12 The drawer shall include with the complaint documentary or other
13 evidence of the violation.

14 (7) If the licensee has otherwise complied with this section
15 and has determined that it did not violate the law, the licensee
16 may present the drawer's check for payment on or after the maturity
17 date. If a check presented for payment under this subsection is not
18 honored, and the licensee is not in violation of this act in
19 connection with the deferred presentment service transaction, the
20 licensee may initiate any lawful collection effort.

21 (8) The commissioner shall promptly investigate a complaint
22 filed by a drawer under this section. If after investigating the
23 drawer's complaint, the commissioner concludes that the licensee
24 violated this act, the commissioner may order the licensee to make
25 restitution to the drawer in an amount equal to 3 times the amount
26 provided for in subsection (4), but not less than \$45.00 or more
27 than 3 times the face amount of the drawer's check. A licensee

1 ordered to pay restitution under this subsection is also subject to
2 any other applicable penalties and remedies available under this
3 act for the violation.

4 (9) A licensee shall enter information regarding alleged
5 violations and determinations under this section into the database
6 as required by the commissioner.

7 Sec. 37. (1) A drawer may rescind a deferred presentment
8 service agreement without cost to the drawer and for any reason if
9 the drawer, not later than the close of business on the business
10 day following the date of the deferred presentment service
11 transaction, delivers to the licensee cash or a cash equivalent in
12 an amount equal to the amount of cash the drawer received in the
13 transaction. The licensee shall return to the drawer the check
14 received in the transaction and any service fee paid by the drawer
15 to the licensee. A drawer who rescinds an agreement under this
16 section is not eligible for restitution under section 36 with
17 regard to the rescinded agreement.

18 (2) A drawer may redeem a check from the licensee holding the
19 check in a deferred presentment service transaction at any time
20 before the maturity date. A licensee shall return the check to the
21 drawer upon receipt of cash or its equivalent in the full amount of
22 the check. A licensee shall not contract for or collect a charge
23 for accepting partial payments from the customer if the full amount
24 is paid by the maturity date.

25 Sec. 38. (1) A licensee shall endorse a check given to it by a
26 drawer with the actual name under which the licensee is doing
27 business before the licensee negotiates or presents the check for

1 payment.

2 (2) A licensee may contract for and collect a returned check
3 charge that does not exceed \$25.00 if the drawer's check that the
4 licensee is holding in a deferred presentment service transaction
5 is returned by the drawee due to insufficient funds, a closed
6 account, or a stop payment order. The licensee may only contract
7 for and collect 1 returned check charge under this subsection in a
8 transaction with a customer. In addition to the charge authorized
9 by this section, a licensee may exercise any other remedy available
10 under any law applicable to the return of a check because of a
11 closed account or a stop payment order.

12 (3) A drawer is not subject to any criminal penalty for
13 entering into a deferred presentment service transaction and is not
14 subject to any criminal penalty in the event the drawer's check is
15 dishonored.

16 Sec. 39. (1) A licensee shall maintain each deferred
17 presentment service agreement until the expiration of 3 years after
18 the date the deferred presentment service agreement is satisfied
19 and make available for examination by the commissioner any deferred
20 presentment service agreements and all related documents in its
21 possession or control including, but not limited to, any
22 applications, credit reports, employment verifications, or loan
23 disclosure statements.

24 (2) A licensee shall preserve and keep available for
25 examination by the commissioner all documents pertaining to a
26 rejected application for a deferred presentment service transaction
27 for any period of time required by law.

1 Sec. 40. A licensee shall not do any of the following:

2 (a) Enter into a tying arrangement through which the licensee
3 conditions the sale of 1 financial service to a consumer on the
4 agreement by the consumer to purchase 1 or more other financial
5 services from the licensee or an affiliate or subsidiary of the
6 licensee.

7 (b) Knowingly permit a person to violate an order that has
8 been issued under this act or any other financial licensing act
9 that prohibits that person from being employed by, an agent of, or
10 a control person of the licensee.

11 ARTICLE 4

12 Sec. 45. (1) A customer may file a written complaint with the
13 office on a form prescribed by the commissioner regarding a
14 licensee. The customer shall include with the complaint documentary
15 or other evidence of the violation or activities of the licensee.
16 The commissioner shall investigate a complaint filed by a customer
17 under this subsection.

18 (2) The commissioner may investigate or conduct examinations
19 of a licensee and conduct hearings as the commissioner considers
20 necessary to determine whether a licensee or any other person has
21 violated this act, or whether a licensee has conducted business in
22 a manner that justifies suspension or forfeiture of its authority
23 to engage in the business of providing deferred presentment service
24 transactions in this state.

25 (3) The commissioner may subpoena witnesses and documents,
26 papers, books, records, and other evidence in any manner over which
27 the commissioner has jurisdiction, control, or supervision. The

1 commissioner may administer oaths to any person whose testimony is
2 required. If a person fails to comply with a subpoena issued by the
3 commissioner or to testify with respect to any matter concerning
4 which the person may be lawfully questioned, the commissioner may
5 petition the circuit court for Ingham county to issue an order
6 requiring the person to attend, give testimony, or produce
7 evidence.

8 Sec. 46. (1) If in the opinion of the commissioner a licensee
9 is, has, or is about to engage in a practice that poses a threat of
10 financial loss or threat to the public welfare, or is, has, or is
11 about to violate this act, state or federal law, or an applicable
12 rule or regulation, the commissioner may serve a notice of
13 intention to issue a cease and desist order. A notice served under
14 this section shall contain a statement of the facts constituting
15 the alleged practice or violation and shall fix a time and place
16 for a hearing at which the commissioner will determine whether to
17 issue an order to cease and desist against the licensee.

18 (2) A licensee that fails to appear at a hearing under
19 subsection (1) consents to the issuance of a cease and desist
20 order. If a licensee consents, or upon the record made at the
21 hearing the commissioner finds that the practice or violation
22 specified in the notice has been established, the commissioner may
23 serve upon the licensee an order to cease and desist from the
24 practice or violation. The order may require the licensee and its
25 executive officers, employees, and agents to cease and desist from
26 the practice or violation and to take affirmative action to correct
27 the conditions resulting from the practice or violation.

1 (3) Except to the extent it is stayed, modified, terminated,
2 or set aside by the commissioner or a court, a cease and desist
3 order is effective on the date of service. A cease and desist order
4 issued with the consent of the licensee is effective at the time
5 specified in the order and remains effective and enforceable as
6 provided in the order.

7 Sec. 47. (1) The commissioner may, after notice and hearing,
8 suspend or revoke a license if the commissioner finds that the
9 licensee has knowingly or through lack of due care done any of the
10 following:

11 (a) Failed to pay the annual license fee, an examination fee,
12 or any other fee imposed by the commissioner under this act.

13 (b) Committed any fraud, engaged in any dishonest activities,
14 or made any misrepresentations.

15 (c) Violated this act or any rule or order issued under this
16 act or violated any other law in the course of the licensee's
17 dealings as a licensee.

18 (d) Made a false statement in the application for the license,
19 failed to give a true reply to a question in the application, or
20 failed to reply to a request of the commissioner authorized in this
21 act.

22 (e) Demonstrated incompetency or untrustworthiness to act as a
23 licensee.

24 (f) Engaged in a pattern or practice that poses a threat of
25 financial loss or threat to the public welfare.

26 (2) If the reason for revocation or suspension of a licensee's
27 license at any 1 location is of general application to all

1 locations operated by a licensee, the commissioner may revoke or
2 suspend all licenses issued to a licensee.

3 (3) A notice served under this section shall contain a
4 statement of the facts constituting the violation or pattern of
5 practice and shall fix a time and place at which the commissioner
6 will hold a hearing to determine whether the commissioner should
7 issue an order to suspend or terminate 1 or more licenses of the
8 licensee.

9 (4) If a licensee fails to appear at a hearing under
10 subsection (1), the licensee consents to the issuance of the order
11 to suspend or terminate 1 or more licenses of the licensee. If a
12 licensee consents, or upon the record made at the hearing the
13 commissioner finds that the pattern of practice or violation
14 specified in the notice has been established, the commissioner may
15 serve upon the licensee an order suspending or terminating 1 or
16 more licenses of the licensee.

17 (5) Except to the extent it is stayed, modified, terminated,
18 or set aside by the commissioner or a court, an order suspending or
19 terminating 1 or more licenses of the licensee is effective on the
20 date of service. An order suspending or terminating 1 or more
21 licenses of the licensee issued with the consent of the licensee is
22 effective at the time specified in the order and remains effective
23 and enforceable as provided in the order.

24 Sec. 48. (1) If the commissioner finds that a person has
25 violated this act, state or federal law, or an applicable rule or
26 regulation, the commissioner may order the person to pay a civil
27 fine of not less than \$1,000.00 or more than \$10,000.00 for each

1 violation. However, if the commissioner finds that a person has
2 violated this act and that the person knew or reasonably should
3 have known that he or she was in violation of this act, the
4 commissioner may order the person to pay a civil fine of not less
5 than \$5,000.00 or more than \$50,000.00 for each violation. The
6 commissioner may also order the person to pay the costs of the
7 investigation.

8 (2) A civil fine assessed under subsection (1) may be sued for
9 and recovered by and in the name of the commissioner and may be
10 collected and enforced by summary proceedings by the attorney
11 general. In determining the amount of a fine, the commissioner
12 shall consider the extent to which the violation was a knowing and
13 willful violation, the extent of the injury suffered because of the
14 violation, the corrective action taken by the licensee to ensure
15 that the violation will not be repeated, and the record of the
16 licensee in the complying with this act.

17 Sec. 49. (1) If in the opinion of the commissioner a person
18 has engaged in fraud, the commissioner may serve upon that person a
19 written notice of intention to prohibit that person from being
20 employed by, an agent of, or an executive officer of a licensee
21 under this act. As used in this subsection, "fraud" includes
22 actionable fraud, actual or constructive fraud, criminal fraud,
23 extrinsic or intrinsic fraud, fraud in the execution, in the
24 inducement, in fact, or in law, or any other form of fraud.

25 (2) A notice issued under subsection (1) shall contain a
26 statement of the facts supporting the prohibition and, except as
27 provided under subsection (7), set a hearing on a date within 60

1 days after the date of the notice. If the person does not appear at
2 the hearing, he or she is considered to have consented to the
3 issuance of an order in accordance with the notice.

4 (3) If after a hearing held under subsection (2) the
5 commissioner finds that any of the grounds specified in the notice
6 have been established, the commissioner may issue an order of
7 suspension or prohibition from being a licensee or from being
8 employed by, an agent of, or an executive officer of any licensee
9 under this act.

10 (4) An order issued under subsection (2) or (3) is effective
11 when served on a person. The commissioner shall also serve a copy
12 of the order upon the licensee of which the person is an employee,
13 agent, or executive officer. The order remains in effect until it
14 is stayed, modified, terminated, or set aside by the commissioner
15 or a reviewing court.

16 (5) After 5 years from the date of an order issued under
17 subsection (2) or (3), the person subject to the order may apply to
18 the commissioner to terminate the order.

19 (6) If the commissioner considers that a person served a
20 notice under subsection (1) poses an imminent threat of financial
21 loss to customers, the commissioner may serve upon the person an
22 order of suspension from being employed by, an agent of, or an
23 executive officer of any licensee. The suspension is effective on
24 the date the order is issued and, unless stayed by a court, remains
25 in effect until the commissioner completes the review required
26 under this section, and the commissioner has dismissed the charges
27 specified in the order.

1 (7) Unless otherwise agreed to by the commissioner and the
2 person served with an order issued under subsection (6), the
3 commissioner shall hold the hearing required under subsection (2)
4 to review the suspension not earlier than 5 days or later than 20
5 days after the date of the notice.

6 (8) If a person is convicted of a felony involving fraud,
7 dishonesty, or breach of trust, the commissioner may issue an order
8 suspending or prohibiting that person from being a licensee and
9 from being employed by, an agent of, or an executive officer of any
10 licensee under this act. After 5 years from the date of the order,
11 the person subject to the order may apply to the commissioner to
12 terminate the order.

13 (9) The commissioner shall mail a copy of any notice or order
14 issued under this section to the licensee of which the person
15 subject to the notice or order is an employee, agent, or executive
16 officer.

17 (10) Within 30 days after the commissioner has notified the
18 parties that the case has been submitted to him or her for final
19 decision, the commissioner shall render a decision that includes
20 findings of fact supporting the decision and serve upon each party
21 to the proceeding a copy of the decision and an order consistent
22 with the decision.

23 (11) Except for a consent order, a party to the proceeding or
24 a person affected by an order issued under this section may obtain
25 a judicial review of the order. A consent order may be reviewed as
26 provided under the administrative procedures act of 1969, 1969 PA
27 306, MCL 24.201 to 24.328. Except for an order under judicial

1 review, the commissioner may terminate or set aside any order. The
2 commissioner may terminate or set aside an order under judicial
3 review with the permission of the court.

4 (12) Unless ordered by the court, the commencement of
5 proceedings for judicial review under subsection (11) does not stay
6 the commissioner's order.

7 (13) The commissioner may apply to the circuit court of Ingham
8 county for the enforcement of any outstanding order issued under
9 this section.

10 (14) Any current or former executive officer or agent who
11 violates a final order issued under this section is guilty of a
12 misdemeanor punishable by a fine of not more than \$5,000.00 or
13 imprisonment for not more than 1 year, or both.

14 (15) An executive officer who is subject to an order issued
15 under this section and who meets all of the following requirements
16 is not in violation of the order:

17 (a) He or she does not in any manner, directly or indirectly,
18 participate in the control or management of a licensee after the
19 date the order is issued.

20 (b) He or she transfers any interest he or she owns in the
21 licensee to an unrelated third party within 6 months after the date
22 the order is final.

23 Sec. 50. (1) A licensee who is ordered to cease and desist,
24 whose license is suspended or terminated, or who is ordered to pay
25 a fine under this act is entitled to a hearing before the
26 commissioner if a written request for a hearing is filed with the
27 commissioner not more than 30 days after the effective date of the

1 order.

2 (2) Any administrative proceedings under this act are subject
3 to the administrative procedures act of 1969, 1969 PA 306, MCL
4 24.201 to 24.328.

5 Sec. 51. The commissioner may promulgate rules under the
6 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
7 24.328, to enforce and administer this act.

8 Sec. 52. A person who provided deferred presentment service
9 transactions in this state before the effective date of this act is
10 considered to have complied with applicable state law if the person
11 provided those transactions in substantial conformity with the
12 rulings and interpretive statements then in effect that were issued
13 by the office or its predecessor agency.