

DEFERRED PRESENTMENT SERVICE TRANSACTIONS ACT (EXCERPT)
Act 244 of 2005

487.2154 Customer eligibility; verification; use of database; fee; submission of information to database; closure of transaction.

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

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

(b) If the commissioner has implemented a database under section 22 and the database described in that section is fully operational, as determined by the commissioner, accessing the database and verifying that the customer does not have an outstanding deferred presentment service transaction with the licensee and does not have more than 1 open deferred presentment service transaction that has not been fully repaid with any other licensee.

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

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

(3) If a licensee is unable to access the database described in section 22 due to technical difficulties occurring with the database, as determined by the commissioner, the licensee shall utilize the process established in section 22(4) to verify transactions.

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

(5) If approved by the commissioner, the database provider may impose a database verification fee for the actual costs of entering, accessing, and verifying data in the database described in section 22 to verify that a customer does not have any other open deferred presentment service transactions with the licensee and does not have more than 1 open deferred presentment service transaction with any other licensees. A database verification fee is payable to the database provider in a manner prescribed by the commissioner. A licensee may charge a customer all or part of the database verification fee under section 33(1)(b) but may not charge a customer any other fee except as authorized in section 33(1) or 35(2).

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

(7) Before entering into a deferred presentment service transaction, a licensee shall submit to the database provider the customer's name and address, the customer's social security number, driver license number, or other state-issued identification number, the amount of the transaction, the customer's check number, the date of the transaction, the maturity date of the transaction, and any other information reasonably required by the commissioner or the database provider, in a format reasonably required by the commissioner.

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

History: 2005, Act 244, Imd. Eff. Nov. 28, 2005.