



2021-2022 General Assembly

HOUSE BILL 911: Regulatory Reform Act of 2022, Sec. 11: Permit a Consumer Finance Licensee to Take a Confession of Judgment from a Borrower Following the Borrower's Failure to Make a Payment as Required under the Loan Contract

Committee:
Introduced by:
Analysis of: Sec. 11 of S.L. 2022-75

Date: July 29, 2022
Prepared by: Kyle Evans
Staff Attorney

OVERVIEW: *Section 11 of S.L. 2022-75 provides that the State's prohibition on taking a confession of judgment from a borrower does not apply to a licensee taking a confession of judgment from a borrower following the borrower's failure to make a payment as required under the loan contract.*

This section became effective July 12, 2022.

CURRENT LAW & BILL ANALYSIS:

Generally, a person licensed to conduct consumer finance business in this State is not permitted to take any confession of judgment from a borrower.

Section 11 of S.L. 2022-75 provides that this prohibition does not apply to a licensee taking a confession of judgment from a borrower following the borrower's failure to make a payment as required under the loan contract.

EFFECTIVE DATE: This section became effective July 12, 2022.

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578