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## FOR IMMEDIATE RELEASE

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## NCOIL TO FURTHER INVESTIGATE PAYDAY LENDING ABUSES, MAY PURSUE MODEL ACT

**Washington, DC, February 21, 2007** — The National Conference of Insurance Legislators (NCOIL) Financial Services and Investment Products Committee will further its examination of payday loan abuses on March 1, when legislators at the NCOIL Spring Meeting in Savannah, Georgia, discuss state payday lending activity and consider pursuing a draft NCOIL model act. The meeting will take place from 3:30 p.m. to 4:45 p.m.

Representative Fulton Sheen (MI), chairman of the Financial Services and Investment Products Committee, said, “NCOIL’s upcoming review of payday lending issues is aimed at uncovering areas of possible reform, including discussion regarding current state initiatives. Should the Committee determine that consideration of a proposed model act is appropriate, we will move forward with one that protects consumers while also recognizing that payday loan establishments can serve a legitimate role in society. Safeguarding the interests of our constituents will be paramount to legislators’ discussion.”

At the 2006 Spring Meeting, the Committee created a Payday Lending Subcommittee to consider items for inclusion in a potential NCOIL payday lending model act. Following extensive discussion, the Subcommittee recommended at the 2006 Summer Meeting provisions that would address the length and amount of a payday loan, lender charges, collateral requirements, partial payments, verification issues, disclosures and warnings, and lender reporting obligations.

The full Committee at the upcoming Spring Meeting is expected to examine issues not addressed by the Payday Lending Subcommittee. These issues include loan rollovers, loan repayment plans, and restrictions regarding the placement of payday loan establishments. In addition, the Committee will take a closer look at database verification language in use or pending in the States.

The Committee began its examination of payday lending more than a year ago, when it considered an American Legislative Exchange Council (ALEC) model act as a starting point for

discussion. The Committee also has reviewed elements of a recently enacted Illinois payday lending law.

The Spring Meeting will be held at the Hyatt Regency Savannah.

NCOIL is an organization of state legislators whose primary focus is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at [www.ncoil.org](http://www.ncoil.org).

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