

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **648**

02/18/2013 Authored by Davnie, Hilstrom, Simon, Allen, Fischer and others

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act
1.2 relating to commerce; regulating certain lenders that use motor vehicle titles of
1.3 the borrower as collateral; proposing coding for new law in Minnesota Statutes,
chapter 47.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[47.602] MOTOR VEHICLE TITLE LOANS.**

1.7 A lender who is not a pawnbroker, as that term is defined in section 325J.01,
1.8 subdivision 4, and uses a title to a motor vehicle as collateral for extending credit:

1.9 (1) must possess a valid license from the Department of Commerce as either an
1.10 industrial loan and thrift company under chapter 53 or a regulated lender under chapter 56;

1.11 (2) must comply with all provisions of section 325J.095; and

1.12 (3) may not demand or collect interest, fees, or any other charges that in the aggregate
1.13 exceed the amounts allowed to be demanded and collected under section 325J.07.

1.14 **EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to credit
1.15 extended on or after that date.