

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 591**

Introduced by Ballard, 21.

Read first time January 22, 2025

Committee:

1 A BILL FOR AN ACT relating to the Nebraska Installment Loan Act; to amend  
2 section 45-1004, Reissue Revised Statutes of Nebraska, and section  
3 45-1003, Revised Statutes Cumulative Supplement, 2024; to change  
4 provisions relating to when licenses are required; to provide powers  
5 to certain licensees relating to affiliates; to define terms; to  
6 harmonize provisions; and to repeal the original sections.

7 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 45-1003, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

3           45-1003 No financial institution is eligible for a license or to  
4 make loans under the Nebraska Installment Loan Act.

5           A license shall be required for any person that is not a financial  
6 institution who, at or after the time a loan is made by a financial  
7 institution, markets, owns in whole or in part, holds, acquires, or  
8 services ~~, or otherwise participates in~~ such loan.

9           **Sec. 2.** Section 45-1004, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11           45-1004 (1)(a) Any person may, after procuring a license from the  
12 department, engage or continue in the business of making loans of money  
13 and charge, contract for, and receive the maximum for interest and other  
14 charges in accordance with the authorization and requirements of the  
15 Nebraska Installment Loan Act.

16           (b) A license shall also be required for any person that services,  
17 or that holds or acquires any rights of ownership interest ~~, servicing,~~  
18 ~~or other forms of participation in,~~ a loan under the Nebraska Installment  
19 Loan Act or that engages with, or conducts loan activity with, an  
20 installment loan borrower in connection with a loan under the act.

21           (2)(a) A license is not required for an affiliate of a licensee if  
22 the activities of the affiliate in this state are limited solely to the  
23 securitization of loans made by the licensee and the servicing rights to  
24 the loans are retained by the licensee or assigned or otherwise  
25 transferred to a financial institution, licensee, or permittee.

26           (b) For purposes of this subsection:

27           (i) Affiliate means an entity that controls, is controlled by, or is  
28 under common control with another entity;

29           (ii) Control means to own directly or indirectly or to control in  
30 any manner twenty-five percent of the voting shares of an entity or to  
31 control in any manner the election of the majority of directors of any

1 entity; and

2 (iii) Securitization means the placing of individual installment  
3 loans made by licensees into a commingled or pooled security that is  
4 subsequently sold or otherwise transferred to another entity.

5 (c) Nothing in this subsection shall be construed to exempt a  
6 licensee or affiliate from the Securities Act of Nebraska.

7 (3)(a) Notwithstanding any other licensee limitations set forth in  
8 the Nebraska Installment Loan Act, a licensee that controls or owns fifty  
9 percent or more of the equity ownership of one or more affiliates which  
10 are subject to licensure under the act may, on behalf of each such  
11 affiliate:

12 (i) Apply to the department for the license, pay the original  
13 licensee fee, and submit background checks pursuant to section 45-1005  
14 and may complete all other requirements necessary to obtain a license  
15 under the act for each such affiliate; and

16 (ii) Consolidate all compliance obligations, including, but not  
17 limited to, examinations, reporting requirements, audits, and  
18 investigations, with respect to any such affiliate. The licensee shall  
19 have the right to satisfy any such compliance obligations under the act  
20 on behalf of any such affiliate.

21 (b) For purposes of this subsection:

22 (i) Affiliate has the same meaning as in subsection (2) of this  
23 section; and

24 (ii) Control has the same meaning as in subsection (2) of this  
25 section.

26 **Sec. 3.** Original section 45-1004, Reissue Revised Statutes of  
27 Nebraska, and section 45-1003, Revised Statutes Cumulative Supplement,  
28 2024, are repealed.