

**SUBSTITUTE FOR
HOUSE BILL NO. 4607**

A bill to prescribe certain duties and obligations of the parties to a refund anticipation loan; and to prescribe penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "refund anticipation loan act".

3 Sec. 3. As used in this act, "facilitator", "lender",
4 "person", and "refund anticipation loan fee" mean those terms as
5 defined in the refund anticipation loan disclosure act.

6 Sec. 5. A facilitator that facilitates or offers to facilitate
7 a refund anticipation loan shall not do any of the following:

8 (a) Require a consumer to enter into a refund anticipation
9 loan arrangement in order to complete a tax return.

10 (b) Misrepresent a material factor or condition of granting a
11 refund anticipation loan.

12 (c) Fail to process the application for a refund anticipation

1 loan after an applicant applies for the refund anticipation loan.

2 (d) Engage in any fraudulent transaction, practice, or course
3 of business with any person in connection with a refund
4 anticipation loan.

5 Sec. 7. A borrower who obtains a refund anticipation loan may
6 rescind the refund anticipation loan, on or before the close of
7 business on the business day following the day the loan is made, by
8 returning the original check issued to the borrower for the loan or
9 paying the amount of the refund anticipation loan by money order or
10 certified check to the lender or the facilitator. A facilitator
11 shall not charge the borrower a fee for rescinding a refund
12 anticipation loan and shall return any fee charged for making a
13 refund anticipation loan if the refund anticipation loan is
14 rescinded under this subsection. However, a facilitator or lender
15 is not required to return to a customer who rescinds a refund
16 anticipation loan under this subsection a fee charged to the
17 customer by the facilitator or lender for establishing and
18 administering a bank account to electronically receive and
19 distribute the customer's tax refunds.

20 Sec. 9. A person, including, but not limited to, a facilitator
21 or a member, officer, director, agent, or employee of a
22 facilitator, that violates or participates in a violation of this
23 act is guilty of a misdemeanor punishable by a fine of not more
24 than \$500.00 or imprisonment for not more than 93 days, or both.

25 Sec. 11. A political subdivision of this state shall not adopt
26 any rule, regulation, code, or ordinance to restrict or limit any
27 requirements under this act relating to refund anticipation loans.

1 This act supersedes and preempts any rule, regulation, code, or
2 ordinance of any political subdivision of this state relating to
3 refund anticipation loans.

4 Enacting section 1. This act does not take effect unless House
5 Bill No. 4166 of the 95th Legislature is enacted into law.