



March 25, 2021

WYOMING AMENDS CONSUMER CREDIT CODE, ELIMINATING SUPERVISED LOAN PROVISIONS AND EXPANDING LICENSING REQUIREMENTS

Effective July 1, 2021, the Wyoming Consumer Credit Code (WCCC) is amended to make a number of changes, including repealing the provisions regarding supervised loans and making the former supervised loans subject to the existing provisions relating to consumer loans, exempting supervised financial institutions from notification requirements, requiring registration for consumer credit sales, expanding the sales finance licensing provisions and other changes. Some important changes are outlined below:

Lender Licensing: Instead of requiring licensing for supervised loans, the WCCC will require licensing for making consumer loans or taking assignments of non-servicing rights relating to consumer loans that are not in default. "Consumer loan" is defined as a loan made by a person regularly engaged in the business of making loans in which:

- (1) The debtor is a person other than an organization;
- (2) The debt is incurred primarily for a personal, family or household purpose;
- (3) Either the debt is payable in installments or a loan finance charge is made; and
- (4) The principal does not exceed \$75,000.

Consumer Loan Interest Rates: The WCCC will permit a loan finance charge on consumer loans not to exceed 36% per year on the part of the unpaid balance of the principal that is \$1,000 or less and 21% on the part of the unpaid balance of the principal that is greater than \$1,000.

Notification: Supervised financial organizations will be exempt from the notification requirements.

Credit Sales Registration: The consumer credit sales provisions of the WCCC will state that unless a person has registered with the administrator, no person shall engage in the business of making consumer credit sales or consumer leases.

Sales Financing Licensing: The sales financing provisions of the WCCC will expand the activity subject to sales finance licensing. Under the new language, no person shall engage in sales financing without a license, and the amended definition of sales financing includes "providing financing on behalf of sellers." The phrase "providing financing on behalf of sellers" is not otherwise defined or explained.

Please contact us for further information on these changes and how they impact your business in Wyoming.

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