



BILLE NA nIASACHTÓIRÍ AIRGID, 1988
MONEYLENDERS BILL, 1988

EXPLANATORY MEMORANDUM

The Bill proposes much needed reforms of the law relating to moneylending. It is not a complete code but must be read in conjunction with the pre-existing law on such topics as rates of interest, the form of contracts, advertising and so on.

The Bill proposes:

- (1) An extension of the definition of those entitled to oppose a moneylender's licence to include, community or charitable interests. At present only the Gardaí effectively can object.
- (2) The provision of a right of appeal against the grant of a licence (hitherto available only against a refusal).
- (3) A system of licensing for moneylenders' *agents*. Currently, many abuses connected with moneylending are committed by persons other than the moneylender, who may not be directly involved.
- (4) A prohibition on canvassing for a moneylender while selling other goods.
- (5) A provision making the moneylender liable if his Agent breaches the above provision.
- (6) A requirement that a moneylender have an office other than a private residence — to prevent him camouflaging himself, e.g. in a large estate.
- (7) A drastic increase in penalties up to a maximum of £250,000 and 10 years. At present, the maximum fine on a first offence is £100.
- (8) A cooling-off period.

The object of these provisions is to ensure the accountability of moneylenders; to compel them to trade publicly and personally; to make them responsible for their agents; to prohibit "pushing" of high interest loans by "salesmen", thereby circumventing the law against canvassing. The licensing system has largely failed and the emphasis in this Bill is on criminal sanctions.

An Teachta Áine Ní Cholla,
Samhain, 1988.

