



An Bille um Rialáil Iasachtóirí Airgid, 2013
Regulation of Moneylenders Bill 2013

Mar a tionscnaíodh

As initiated



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Central Bank and Financial Services Authority of Ireland Acts 2003 and 2004
Central Bank Reform Act 2010 (No. 23)
Consumer Credit Act 1995 (No. 24)
Data Protection Acts 1988 to 2003



AN BILLE UM RIALÁIL IASACHTÓIRÍ AIRGID, 2013
REGULATION OF MONEYLENDERS BILL 2013

Bill

entitled

An Act to provide for the further regulation of all moneylenders licenced by the Central Bank of Ireland on all loans given, irrespective of terms and conditions and to provide for related matters. 5

Be it enacted by the Oireachtas as follows:

Interpretation

1. In this Act, save where the context otherwise requires— 10
- “Central Bank of Ireland” has the same meaning as that in the Central Bank Reform Act 2010;
- “charges” includes any fee as specified under a contract between a moneylender and a borrower;
- “licenced moneylender” has the same meaning as that defined in section 93 of the Consumer Credit Act 1995 as amended by the Central Bank and Financial Services Authority of Ireland Acts 2003 and 2004; 15
- “loan rollover” includes short-term loans that automatically renew if not paid, and incur additional fees on renewal;
- “moneylender” has the same meaning as that defined in the Consumer Credit Act 1995; 20
- “Principal Act” means the Consumer Credit Act 1995.

Duties and responsibilities of moneylenders

2. The Principal Act is amended by inserting the following new section after section 94—
- “94A. (1) A licenced moneylender shall—
- (a) not engage in credit advertising that uses language commonly known as ‘jargon’ as may be proscribed by the Minister by way of regulation under section 28, 25
- (b) not engage in excessive credit advertising broadcasts as may be proscribed by the Minister by way of regulation under section 28,
- (c) not suggest that credit is available regardless of a borrower’s 30

circumstances,

- (d) shall not include such jargon, (as may be proscribed by the Minister by way of regulation under section 114) in any advertisement of the moneylender's services,
- (e) on a confidential basis, and in compliance with the Data Protection Acts 1988 to 2003, be obliged to share data relating to borrowers' loans, between himself or herself and other licenced moneylenders, in order to prevent, as far as practicable, an individual taking out several loans at the same time, from more than one moneylender, 5
- (f) submit to the Central Bank of Ireland— 10
 - (i) policies and procedures on his or her loan acceptance criteria, and
 - (ii) policies and procedures on how he or she intends to use consumer data to reach a decision on a loan agreement,
- (g) train his or her staff members to be able to assess information that any such staff member may have sight of in relation to a loan application and that the staff member be able to ascertain if a situation of indebtedness to other lenders exists, 15
- (h) where practicable, cross-check bank statements with salary documentation submitted to him or her by loan applicants, 20
- (i) put in place procedures to identify and prevent fraud and money laundering in circumstances where loan repayments are to be made through the use of a debit card belonging to a third party who is not a party to the loan agreement,
- (j) put in place an affordability assessment mechanism in circumstances where a loan applicant seeks a 'loan rollover', 25
- (k) in circumstances where a loan applicant seeks a 'loan rollover', explain the implications of the 'rollover' to the applicant and specifically say whether such 'loan rollover' is a new agreement and if so, whether agreed repayments will be towards payment off 30
—
 - (i) the capital, the interest and charges, or
 - (ii) the interest and charges.
- (2) A licenced moneylender shall not use a 'loan rollover' as a substitute for forbearance towards a borrower who is financially indebted to such a moneylender. 35
- (3) In circumstances where a moneylender establishes that a borrower's inability to repay a loan in full on the date the loan becomes due is as a result of the borrower being financially indebted to such a moneylender, that moneylender shall— 40
 - (i) freeze the interest payments on such a loan, or

- (ii) offer the borrower a repayment plan.
- (4) Where a licenced moneylender is found to have acted in contravention of this section, such contravention shall be disposed of by way of administrative sanction in accordance with section 33AQ of the Central Bank and Financial Services Authority of Ireland Act 2004.”. 5

Short title and commencement

- 3.** (1) This Act may be cited as the Regulation of Moneylenders Act 2013.
- (2) This Act shall come into operation on such day or days as the Minister may appoint by order or orders.

BILLE

(mar a tionscnaíodh)

dá ngairtear

Acht do dhéanamh socrú maidir leis na hiasachtóirí airgid go léir atá ceadúnaithe ag Banc Ceannais na hÉireann a rialáil tuilleadh i leith na n-iasachtaí go léir a thugtar, is cuma faoi théarmaí agus coinníollacha agus do dhéanamh socrú i dtaobh nithe gaolmhara.

*An Teachta Micheál Mac Craith a thug isteach,
18 Meitheamh, 2013*

BILL

(as initiated)

entitled

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*Introduced by Deputy Michael McGrath,
18th June, 2013*

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