

BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the repeal of ARM) NOTICE OF PROPOSED REPEAL
2.59.1401 through 2.59.1419)
pertaining to title lending) NO PUBLIC HEARING
) CONTEMPLATED

TO: All Concerned Persons

1. On January 7, 2014, the Division of Banking and Financial Institutions proposes to repeal the above-stated rules.

2. The Department of Administration, Division of Banking and Financial Institutions, will make reasonable accommodations for persons with disabilities who need an alternative accessible format of this notice. If you require an accommodation, contact the Division of Banking and Financial Institutions no later than 5:00 p.m. on December 20, 2013, to advise us of the nature of the accommodation that you need. Please contact Wayne Johnston, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; telephone (406) 841-2928; TDD (406) 444-1421; facsimile (406) 841-2930; e-mail to banking@mt.gov.

3. The department proposes to repeal the following rules:

2.59.1401 DEFINITIONS, found on ARM page 2-6087.

AUTH: 31-1-802, MCA

IMP: 31-1-803, 31-1-804, 31-1-805, 31-1-810, 31-1-811, 31-1-812, 31-1-815, 31-1-816, 31-1-818, 31-1-820, MCA

2.59.1402 LICENSING AND APPLICATION REQUIREMENTS – EXCEPTIONS, found on ARM page 2-6088.

AUTH: 31-1-802, MCA

IMP: 31-1-804, 31-1-805, 31-1-811, 31-1-816, 31-1-817, MCA

2.59.1403 TITLE LOAN DESIGNATION, found on ARM page 2-6088.

AUTH: 31-1-802, MCA

IMP: 31-1-803, MCA

2.59.1404 NOTIFICATION TO THE DEPARTMENT, found on ARM page 2-6089.

AUTH: 31-1-802, MCA

IMP: 31-1-805, MCA

2.59.1405 OWNERSHIP CHANGE, found on ARM page 2-6089.

AUTH: 31-1-802, MCA
IMP: 31-1-805, MCA

2.59.1406 EXAMINATION OF TITLE LENDERS, found on ARM page 2-6090.

AUTH: 31-1-802, MCA
IMP: 31-1-803, 31-1-810, 31-1-815, 31-1-816, 31-1-817, 31-1-818, 31-1-819, 31-1-820, 31-1-821, 31-1-822, 31-1-825, MCA

2.59.1407 RESCINDED LOANS, found on ARM page 2-6090.

AUTH: 31-1-802, MCA
IMP: 31-1-815, 31-1-816, 31-1-821, MCA

2.59.1408 FAILURE TO CORRECT DEFICIENCIES, found on ARM page 2-6090.

AUTH: 31-1-802, MCA
IMP: 31-1-810, 31-1-811, MCA

2.59.1409 DURATION OF LOANS – INTEREST, found on ARM page 2-6091.

AUTH: 31-1-802, MCA
IMP: 31-1-816, 31-1-817, 31-1-818, 31-1-825, MCA

2.59.1410 RENEWALS – REDUCTION OF PRINCIPAL, found on ARM page 2-6092.

AUTH: 31-1-802, MCA
IMP: 31-1-816, MCA

2.59.1411 DEPARTMENT'S COST OF ADMINISTRATIVE ACTION, found on ARM page 2-6092.

AUTH: 31-1-802, MCA
IMP: 31-1-811, MCA

2.59.1412 EXAMINATION FEES, found on ARM page 2-6093.

AUTH: 31-1-802, MCA
IMP: 31-1-810, 31-1-811, MCA

2.59.1413 REPORTS, found on ARM page 2-6093.

AUTH: 31-1-802, MCA
IMP: 31-1-810, 31-1-815, MCA

2.59.1414 SCHEDULE OF CHARGES, found on ARM page 2-6093.

AUTH: 31-1-802, MCA
IMP: 31-1-816, 31-1-817, 31-1-818, MCA

2.59.1415 REQUIRED RECORD KEEPING, found on ARM page 2-6094.

AUTH: 31-1-802, MCA
IMP: 31-1-815, 31-1-821, MCA

2.59.1416 EMPLOYEES' CHARACTER AND FITNESS, found on ARM page 2-6094.

AUTH: 31-1-802, MCA
IMP: 31-1-805, MCA

2.59.1417 PROCEDURAL RULES FOR HEARINGS AND DISCOVERY, found on ARM page 2-6095.

AUTH: 31-1-802, MCA
IMP: 31-1-811, 31-1-812, 31-1-826, 31-1-841, MCA

2.59.1418 SALE OF REPOSSESSED PROPERTY, found on ARM page 2-6095.

AUTH: 31-1-802, MCA
IMP: 31-1-816, 31-1-818, 31-1-820, MCA

2.59.1419 UNFAIR PRACTICE, found on page ARM 2-6095.

AUTH: 31-1-802, MCA
IMP: 31-1-825, MCA

STATEMENT OF REASONABLE NECESSITY: The proposed repeal of ARM 2.59.1401 through 2.59.1419 is necessary because the rules implement the Montana Title Loan Act (Title 31, Ch. 1, Part 8), which was repealed in its entirety by HB 118 in the 2013 Legislative Session, leaving no basis for the rules. HB 118 was signed into law by the Governor on April 24, 2013, and is effective on December 31, 2013.

4. Concerned persons may submit their data, views, or arguments concerning the proposed repeal in writing to Lorraine A. Schneider, Legal Counsel,

Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to lschneider@mt.gov, and must be received no later than 5:00 p.m., December 27, 2013.

5. If persons who are directly affected by the proposed repeal wish to present their data, views, or arguments orally or in writing at a public hearing, they must make a written request for a hearing and submit the request along with any comments they have to Lorraine A. Schneider, Legal Counsel, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to lschneider@mt.gov, and must be received no later than 5:00 p.m., December 27, 2013.

6. If the division receives requests for a public hearing on the proposed repeal from either 10% or 25, whichever is less, of those who are directly affected by the proposed repeal, from the appropriate administrative rule review committee of the legislature, from a governmental agency or subdivision, or from an association having no less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Ten percent of those persons directly affected has been determined to be one based on the number of title loan licensees as of publication of this notice.

7. An electronic copy of this notice of proposed repeal is available at the department's web site at <http://doa.mt.gov/administrativerules.mcp>. The department strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that if a discrepancy exists between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the department works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

8. The Division of Banking and Financial Institutions maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this division. Persons who wish to have their name added to the mailing list shall make a written request which includes the name and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding division rulemaking actions. Such written requests may be mailed or delivered to Wayne Johnston, Division of Banking and Financial Institutions, 301 S. Park, Ste. 316, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to wjohnston@mt.gov; or may be made by completing a request form at any rules hearing held by the Division of Banking and Financial Institutions.

9. The bill sponsor contact requirements of 2-4-302, MCA, apply and have been fulfilled. The primary bill sponsor, Representative Jennifer Eck, was contacted by mail on June 13, 2013.

10. Under the requirements of 2-4-111, MCA, the department has determined that the repeal of the above-referenced rules will not significantly and directly impact small businesses because no title lenders have been licensed in Montana since July 3, 2012. The number of licensees had been declining for a number of years before January 1, 2011, and dropped to zero after the passage in 2010 of I-164, the rate cap ballot initiative, which became effective on January 1, 2011. The repeal of the Title Loan Act eliminated the necessity for these rules.

By: /s/ Sheila Hogan
Sheila Hogan, Director
Department of Administration

By: /s/ Michael P. Manion
Michael P. Manion, Rule Reviewer
Department of Administration

Certified to the Secretary of State November 18, 2013.