

Amendment to HB 1419

1 Amend the title of the bill by replacing it with the following:

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3 AN ACT requiring the department of administrative services and certain private employers to
4 offer payroll deductions and disbursements for loan repayment.
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6 Amend the bill by replacing all after the enacting clause with the following:

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8 1 New Subdivision; State Employee Loan Program. Amend RSA 21-I by inserting after section
9 95 the following new subdivision:

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State Employee Loan Program

11

21-I:96 State Employee Loan Program.

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13 I. There is hereby established an employee loan program as a benefit for state employees
14 through which the state shall deduct portions of participating employees' salaries or wages for
15 disbursement to accounts established by qualified lenders for the repayment of loans made by them.

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16 II. The department shall adopt administrative rules pursuant to RSA 541-A to implement
17 the program established in paragraph I.

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18 III. The program established pursuant to this section shall not pose any financial risk to the
19 state.

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20 IV. No qualified lender shall receive compensation from the state in exchange for
21 participation in the program. For purposes of this section, "qualified lender" means a loan company,
22 or another type of entity, licensed in accordance with New Hampshire law.

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23 V. The state employee loan program shall not subject the state to claims by state employees
24 related to the program or to a loan or loan repayment made through the program, including but not
25 limited to claims resulting from the department's inadvertent failure to:

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(a) Make an employee-requested payroll deduction or disbursement; or

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(b) Deduct and disburse the correct amount for a loan repayment.

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28 VI. The state employee loan program shall limit the amount deducted and disbursed in pay
29 period to 12 percent or less of the participating employee's gross salary or wages for that period.

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VII. For each loan repaid through the state employee loan program:

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(a) The annual percentage rate shall be equal to or less than 30 percent at the time the
31 loan was originated;

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(b) The loan term shall be one year or less;

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1 (c) The participating employee's credit score shall not have been used to determine
2 eligibility for the loan; and

3 (d) The state shall have had no involvement in the loan decision process and shall have
4 assumed no responsibility to use state money to repay the loan, to subsidize the loan, or to guarantee
5 the loan.

6 2 New Section; Employee Loan Program. Amend RSA 295 by inserting after section 11 the
7 following new section:

8 295:12 Employee Loan Program.

9 I. Corporations with more than 300 employees shall establish as a benefit for its employees
10 a program through which the corporation shall deduct portions of participating employees' salaries
11 or wages for disbursement to accounts established by qualified lenders for the repayment of loans
12 made by them.

13 II. Any program established pursuant to this section shall not pose any financial risk to the
14 corporation.

15 III. No qualified lender shall receive compensation from a corporation with an employee loan
16 program in exchange for participation in such program. For purposes of this section, "qualified
17 lender" means a loan company, or another type of entity, licensed in accordance with New
18 Hampshire law.

19 IV. The employee loan program shall not subject the corporation to claims by employees
20 related to the program or to a loan or loan repayment made through the program, including but not
21 limited to claims resulting from the corporation's inadvertent failure to:

22 (a) Make an employee-requested payroll deduction or disbursement; or

23 (b) Deduct and disburse the correct amount for a loan repayment.

24 V. The employee loan program shall limit the amount deducted and disbursed in pay period
25 to 12 percent or less of the participating employee's gross salary or wages for that period.

26 VI. For each loan repaid through the employee loan program:

27 (a) The annual percentage rate shall be equal to or less than 30 percent at the time the
28 loan was originated;

29 (b) The loan term shall be one year or less;

30 (c) The participating employee's credit score shall not have been used to determine
31 eligibility for the loan; and

32 (d) The corporation shall have had no involvement in the loan decision process and shall
33 have assumed no responsibility to use its own money to repay the loan, to subsidize the loan, or to
34 guarantee the loan.

35 3 Effective Date. This act shall take effect 60 days after its passage.

2020-0083h

AMENDED ANALYSIS

This bill requires the state and corporations with 300 or more employees to provide an employee loan program as a benefit to employees.

UNAPPROVED