Be it resolved by the people of the state of Missouri that the Constitution be amended:

By adding one new section to Article I of the Missouri Constitution, as follows:

Section 36(a) 1. This section shall be known as the "Consumer Borrowers' Bill of Rights."

2. No borrower shall be prosecuted in the criminal courts of the state for failure to repay a loan taken in good faith.
3. Any lender that purposely and repeatedly violates in this state subsections 4,5,6, or 9, or that purposely and repeatedly makes loans at more than twice the rate permitted in subsection 8, commits the crime of "predatory lending." A lender's first conviction shall be punishable by a fine not to exceed one thousand dollars. Subsequent convictions shall be punishable by a fine not to exceed five thousand dollars.
4. No lender shall make threats of criminal prosecution as a result of a borrower's check being returned unpaid.
5. Any borrower shall have the right to rescind at no cost any loan agreement by returning the full principal balance and delivering within two business days a written rescission to the lender at the place where the loan was made, or if the loan was not made at a physical location, by using the same means or device through which the loan was made. No lender shall refuse a borrower's request that complies with this subsection.
6. Borrowers shall have the right, at no cost and for any reason whatsoever, to request and receive an extended payment plan by executing a written amendment to the loan by the close of business the day before the loan is due. No lender shall refuse a borrower's request that complies with this subsection.
7. All lenders shall display the provisions of this section, and other disclosures that may be provided by law, in their businesses in plain view of the area where loans are closed and in boldfaced type that is at least 18 points in size.
8. The interest, fees, and finance charges for loans under subsection 11(a)(1) to borrowers who are active-duty members of the United States armed forces may not exceed an annual percentage rate of 36%. The interest, fees, and finance charges lenders may charge to all other borrowers may not exceed the fair market annual percentage rate.
9. Every agreement between a lender and borrower, whether in a physical or electronic format, shall clearly state, beginning within three inches of the top of the first page, in boldfaced type that is at least 18 points in size, the cost of the loan expressed in each of the following measures: (1) dollars per $100; (2) annual percentage rate; and (3) finance charge, or the total number of dollars that the borrower will pay. The

agreement shall in a similar style and size of font state the amount financed and the total number of payments to be made.

10. Unless otherwise stated herein, all portions of this section are self-executing. No law shall be valid that would relax the restrictions of this section or reduce the limits on the annual rate of interest, fees, and finance charges in subsection 8. All provisions of the Consumer Borrowers' Bill of Rights are severable. This section shall only apply to contracts entered into on or after its effective date.

11. For purposes of this section, the following definitions apply:

    a. a "loan" is any of the following: (1) a written agreement to borrow five hundred dollars or less to be repaid within fourteen to thirty-one days; (2) an agreement to borrow money for personal, family or household purposes in amounts of five hundred dollars or more; (3) a title loan agreement; or (4) an agreement to borrow any amount, secured or unsecured, payable in not less than four substantially equal installments over a period of not less than one hundred twenty days. Solely for purposes of subsections 8 and 10, a "loan" shall also include any agreement to borrow five thousand dollars or less for any term for personal, family, or household purposes;

    b. a "lender" and "borrower," respectively, are defined as a person that makes or that takes out a "loan" as defined herein;

    c. an "extended payment plan" ("EPP") is a plan that pertains only to the type of loan identified in subsection 11.a(1). An EPP may allow borrowers to make up to four equal payments at regular intervals until the balance is paid. An EPP may allow for charges, including acceleration of the unpaid balance, in the event of default on a payment. Borrowers may not receive more than two EPPs from a single lender in a calendar year;

    d. The "fair market annual percentage rate" is the annual percentage rate that would apply to a $100, 14-day loan which required payment of no more than $36 in interest, fees, and finance charges. For all purposes herein, "interest, fees, and finance charges" exclude returned check fees, late charges, and collection costs and fees, and exclude other fees as may be provided by law; and

    e. "repeatedly violates" means a lender's commission of violations with respect to loans requested or taken by six or more customers within a six-month period, and "repeatedly makes" means loans made with six or more customers within a six-month period.