

ORDINANCE NO. 11360

AN ORDINANCE AMENDING CHAPTER 7, 'BUSINESSES AND OCCUPATIONS
GENERALLY', ARTICLE V, 'SHORT-TERM LENDING CODE'
OF THE CODE OF THE CITY OF LIBERTY, CLAY COUNTY, MISSOURI

BE IT ORDAINED by the City Council of the City of Liberty, Clay County,
Missouri, as follows:

SECTION I

Chapter 7, "Businesses and Occupations Generally," Article V, "Short Term
Lending Code," Sec. 7-30. – "Definitions." of the Code of the City of Liberty, Clay
County, Missouri is hereby amended as follows:

Sec. 7-30. - Definitions.

The Short-Term Loan Establishment definition is repealed and replaced as
follows:

Repeal:

Short-Term Loan Establishment means an establishment which: (a)
engages in the business of providing money to customers on a temporary basis,
wherein such loans are secured by post-dated check, paycheck, or car title, (b)
provides an extension of credit made at an Annual Percentage Rate (as defined
in accordance with federal law) in excess of 45%, or (c) is registered as a lender
under state or federal law. This classification does not include a state or federally
chartered bank, savings and loan association, credit union, or mortgage broker or
originator. This classification does not include nonprofit organizations exempt
from taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 as
amended, nor does it include organizations certified as Community Development
Financial Institutions by the U.S. Treasury. Further, this classification does not
include the businesses of licensed pawnbrokers or establishments selling
consumer goods, including consumables, where the loans or the cashing of
checks or money orders are incidental to the main purpose of the business. This
classification does include, but is not limited to, check cashing stores, payday
loan stores, and car title loan businesses.

Replace with:

Short-Term Loan Establishment engages in transaction where:

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- (a) The transaction has a repayment term of one hundred eighty-one days or fewer and is secured by the title to the borrower's motor vehicle or auto;
- (b) The transaction requires that the full amount of the credit extended together with all fees and charges for the credit be repaid in ninety-one days or fewer;
- (c) The transaction's scheduled repayment plan contains one or more interest-only payments or a payment that is more than ten percent greater than the average of all other scheduled payment amounts; and/or
- (d) The transaction, at origination, requires the borrower:
 - 1. To agree to a preauthorized automatic withdrawal in the form of a bank draft, a preapproved automated clearing house or its equivalent;
 - 2. To agree to an allotment or an agreement to defer presentment of one or more contemporaneously-dated or postdated checks; or
 - 3. To repay the loan in full at a borrower's next payday or other recurring deposit cycle, where the repayment is connected with a bank account.

SECTION II

This ordinance shall be in full force and effect from and after its passage by the City Council and approval by the Mayor according to law.

PASSED by Council this 22 day of February, 2021.

MAYOR

ATTEST:

DEPUTY CITY CLERK

Approved by the Mayor this 22 day of February, 2021.

MAYOR