

Industry Advisory

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Installment Loan Act Update

October 20, 2023 (LINCOLN, NE) – The Nebraska Department of Banking and Finance (“NDBF”) is providing the following notice regarding the Nebraska Installment Loan License, specifically the application process. Effective June 6, 2023, Legislative Bill 92 (2023) (“LB 92”) amended sections of the Nebraska Installment Loan Act (“the Act”).

Nebraska Installment Loan Act

Resulting from the passage of LB 92, the application process for a Nebraska Installment Loan License has been modified, making the process more cost-efficient and time-efficient for applicants and the Department.

There are two primary changes. First, non-originator applicants, including pending applicants, may request a waiver of the application hearing requirement. Originator applicants will still be required to have a hearing as part of their application process. Second, the number of required publications regarding the application can potentially be reduced from three to one publication. If the Director approves the hearing waiver, a one-time notice will be published, and if the Department receives no written protest within 15 days of publication by the Department, the waiver will be finalized, and the application will be ready for final decision. If written protest is received within those 15 days, a hearing will be required, and additional publications will be required to give notice of the hearing.

Upon a license request through the NMLS, a fillable form will be sent to the applicant for completion. Upon completion of this form, the form will automatically be sent back to the Department for approval.

Additionally, language was added to the Act to include marketing in licensed activity. This language was added not to expand the Act, but to clarify who is required to obtain a license. Companies that only conduct marketing activities related to installment loans, which would not have been required to obtain a license prior to the passage of LB 92, will not be required to get a license after the passage of LB 92.

Questions regarding the updates to the application process or the Nebraska Installment Loan Act should be directed to the Department at dob.consumerfinance@nebraska.gov.

Additional licensing information for consumer lenders is available on NDBF’s website at <https://ndbf.nebraska.gov/industries/consumer-lending-licenses> and on the NMLS website at <https://mortgage.nationwidelicencingsystem.org/Pages/default.aspx>. If you have questions, please call NDBF at 402-471-2171.