Credit Affordability Act 2017

Mar a tionscnaíodh
As initiated

Contents

BILL ENTITLED

An act to limit Payday Loans to a maximum of one of a maximum value of €250 at any one time.

Be it enacted by the Oireachtas as follows:

<u>Section 1: Definitions</u>

Payday Loan: a relatively small amount of money lent at a high rate of interest on the agreement that it will be repaid when the borrower receives their next wages.
Lender: an organisation or person that lends money.

<u>Section 2: Loan Limitation</u>

1. A person shall only take out one Payday Loan at any one time.
2. Lenders shall check for loan status with the Irish Credit Agency, where a person already has a loan they will deny any application for a further Payday Loan.
3. No Payday loan shall exceed €250.

Section 3: Credit Checking

1. The lender shall check every loan application with a credit agency to ensure the affordability of such a loan.
2. Where there is sufficient doubt that the borrower will enter difficulty paying back such loans, the borrower shall not proceed with the loan.

Section 4: Establishment of an Irish Credit Agency

1. Provision shall be made for the establishment of an Irish Credit Agency.
2. The Irish Credit Agency shall collate scores from credit agencies and create a borrowing index from the data obtained.
3. The Irish Credit Agency shall operate on behalf of the Ministry for Finance.
4. The Irish Credit Agency shall remain a public body.

Submitted by /u/Waasup008 on behalf of the 12th Government