

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

SENATE BILL 882

By: Senator Rapert

## For An Act To Be Entitled

AN ACT TO REGULATE CONSUMER LAWSUIT LENDING; AND FOR  
OTHER PURPOSES.

### Subtitle

TO REGULATE CONSUMER LAWSUIT LENDING.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 4, Chapter 57, Subchapter 1, is amended to add an additional section to read as follows:

4-57-109. Consumer lawsuit lending.

(a) As used in this section:

(1) "Consumer" means an individual who is or may become a plaintiff or claimant in a dispute;

(2) "Consumer lawsuit lending" means:

(A) Providing money to a consumer to use for any purpose other than prosecuting the consumer's dispute, the repayment of which is conditioned upon and sourced from the consumer's proceeds from the outcome of the dispute by judgment, settlement, or otherwise; and

(B) Purchasing from a consumer a contingent right to receive a share of the proceeds of the consumer's dispute, by judgment, settlement, or otherwise;

(3) "Consumer lawsuit lender" means an individual or entity that engages in consumer lawsuit lending;

(4) "Dispute" means:

(A) A civil action;

(B) An alternative dispute resolution proceeding; or



(C) An administrative proceeding before an agency or instrumentality of the government of this state.

(b)(1) The maximum rate of interest provided by § 4-57-104 applies to a consumer lawsuit lending transaction.

(2) Any amount paid or payable to a consumer lawsuit lender under a consumer lawsuit lending transaction that exceeds the amount provided by the consumer lawsuit lender to the consumer in connection with a consumer's dispute shall be included as interest for purposes of § 4-57-104.

(c) A contract or agreement governing a consumer lawsuit lending transaction shall:

(1) Be in writing; and

(2)(A) Prominently disclose the annual percentage rate applicable to the consumer lawsuit lending transaction.

(B) The annual percentage rate shall be included in bold, twenty-point arial type and surrounded by a 1.5 point rectangle, as follows:

" APR . % "

(d) A violation of this section is:

(1) A deceptive and unconscionable trade practice under § 4-88-107; and

(2) Subject to the penalties, remedies, and enforcement provided by § 4-88-101 et seq.

APPROVED: 04/01/2015