



COMPLIANCE NOTICE TO LICENSEES

To: Licensees Operating in Idaho under the Idaho Credit Code and the Idaho Collection Agency Act

From: Michael Larsen, Consumer Finance Bureau Chief

Date: September 23, 2014

**Re: Compliance Notice to Payday Lenders Operating in Idaho Regarding:
(i) Sale/ Assignment of Payday Loan Debt to Unlicensed Collection Agencies, and (ii) Attempts to Collect Void and Unenforceable Payday Loan Debt**

The Idaho Department of Finance is receiving an increasing number of consumer complaints related to two factors, namely: (i) the sale or assignment of payday loan debt to unlicensed collection agencies for collection; and (ii) collection attempts by Idaho-licensed collection agencies of payday loans made to Idaho borrowers by unlicensed payday lenders. Therefore, the Department issues this Compliance Notice to its licensed payday lenders and its licensees under the Idaho Collection Agency Act.

Idaho Code § 28-46-402(3) states that a payday loan made in Idaho in violation of Idaho's licensing requirements is void, uncollectable and unenforceable. Licensees attempting to collect on such "void, uncollectable and unenforceable" loans in Idaho do so at the risk of an administrative or civil action by the Department for fines, restitution, and other remedies, including license suspension or revocation. Similarly, Idaho's licensed payday lenders are cautioned against assigning or selling delinquent payday loans involving Idaho borrowers to collection agencies not licensed by the Idaho Department of Finance.

The Department's website (<http://finance.idaho.gov>) includes a publicly accessible listing of all individuals and entities licensed by the Idaho Department of Finance. This [LINK](#) will provide quick access to the portion of the Department's website that lists Idaho's Consumer Credit Licensees (use the dropdown box to search for licensed payday lenders). This [LINK](#) will provide quick access to the portion of the Department's website that lists licensees under the Idaho Collection Agency Act.