



PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS SINCE 1905

**Idaho Department of Finance  
Guidance Statement  
2020-10-CFB**

**GUIDANCE TO PAYDAY LENDERS OPERATING IN IDAHO REGARDING “EXTENDED PAYMENT PLANS”**

**Issue Date: July 1, 2020 (Replaces Guidance Statement Issued October 9, 2014)**

---

**I. Background**

The Idaho Payday Loan Act (Act), which became law on July 1, 2014, includes a section providing borrowers with an opportunity, once during any consecutive 12-month period, to transition a payday loan into an extended payment plan at no additional cost. This provides a viable repayment option to borrowers who are unable to pay off their payday loans on time. The extended payment plan, which must provide for at least four (4) equal payments over a time period of not less than sixty (60) days, must also be in writing and be executed no later than the day the payday loan is due. The 2014 amendments to the Act allowing an extended payment plan provision provides Idaho payday loan borrowers with a solution to pay off their payday loans over an extended period without the threat of lawsuits or other collection efforts so long as they make timely payments under their extended payment plans.

**II. Application of Idaho Code § 28-46-114 in the Supervision of Payday Lender Business Activities**

Pursuant to Idaho Code § 28-46-414(4), under an extended payment plan a lender may not charge interest or additional fees as part of the plan. Furthermore, Idaho Code §§ 28-46-414(2) and (3) state that:

*(2) An extended payment plan shall be in writing and must be executed not later than the day the payday loan is due. The plan shall provide a payment schedule that allows at least four (4) equal payments over a time period of not less than sixty (60) days and shall include the disclosures required under section [28-46-415](#), Idaho Code.*

*(3) A borrower’s obligations under an extended payment plan shall be not greater than the amount owed under the terms of the original payday loan.*

**Idaho Department of Finance Guidance Statement 2020-10-CFB**

THE GUIDANCE IS AN AGENCY INTERPRETATION OF EXISTING LAW AND DOES NOT REPRESENT AN NEW LAW OR LEGAL REQUIREMENT



## PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS SINCE 1905

The Idaho Department of Finance interprets these provisions to mean that an extended payment plan should not result in repayment terms that are less favorable than those of the original loan obligation. Therefore, in its supervision of payday lender business practices, the Department will apply the following standards when reviewing extended payment plans.

- The Department would consider an extended payment plan to meet the purposes of the Act where it incorporates four equal installment payments over not less than sixty (60) days, and where the payments are scheduled in a way that maximizes the consumer's ability to utilize the Plan for its intended purpose of successfully paying off the consumer's payday loan debt. A payment schedule that maximizes a consumer's ability to utilize the extended payment plan is one wherein the initial installment is either scheduled to be paid following a period equal to or greater than the initial period of the loan, or for a period no less than two weeks from the date the consumer enters into the plan, whichever is greater.
- The Department would consider an extended payment plan to not meet the purposes of the Act where the payments are scheduled in a way that provides no immediate benefit to the consumer seeking to enter into the plan. For example, an extended payment plan that requires a consumer to make an immediate payment upon entering the plan, regardless of the amount, would circumvent the purposes of providing relief to a consumer who has already indicated an inability to repay the existing obligation, or who may not be able to afford the cost of renewing the existing payday loan.

### III. Summary

It is the Department's position that offering an extended payment plan that does not meet the purposes of the Act and of Idaho Code § 28-46-414 is an unfair act or practice under Idaho Code § 28-46-413(8). The Department will apply the foregoing standard in its review of extended payment plans in its supervision of payday lenders' business activities in Idaho.

## **Idaho Department of Finance Guidance Statement 2020-10-CFB**

THE GUIDANCE IS AN AGENCY INTERPRETATION OF EXISTING LAW AND DOES NOT REPRESENT  
AN NEW LAW OR LEGAL REQUIREMENT



PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS SINCE 1905

**Contact** - You may direct comments or requests for additional information regarding this Guidance Statement to:

Bureau Chief, Consumer Finance Bureau  
Idaho Department of Finance  
P.O. Box 83720  
Boise, Idaho 83720-0031

Telephone: 1-(208)-332-8000  
Facsimile: 1-(208)-332-8099  
Email: [finance@finance.idaho.gov](mailto:finance@finance.idaho.gov)

## **Idaho Department of Finance Guidance Statement 2020-10-CFB**

THE GUIDANCE IS AN AGENCY INTERPRETATION OF EXISTING LAW AND DOES NOT REPRESENT  
AN NEW LAW OR LEGAL REQUIREMENT