

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015

# A Bill

SENATE BILL 882

4  
5 By: Senator Rapert

## For An Act To Be Entitled

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

### Subtitle

12 TO REGULATE CONSUMER LAWSUIT LENDING.

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

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

20 4-57-109. Consumer lawsuit lending.

21 (a) As used in this section:

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

24 (2) "Consumer lawsuit lending" means:

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

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

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

34 (4) "Dispute" means:

35 (A) A civil action;

36 (B) An alternative dispute resolution proceeding; or



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

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

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

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

11                    (1) Be in writing; and

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

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

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19                    (d) A violation of this section is:

20                    (1) A deceptive and unconscionable trade practice under § 4-88-  
21 107; and

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

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26                    **APPROVED: 04/01/2015**