

155-2-3-.06 Collection Activities - Small Loan Act

Any and all collection activity procedures and practices must be conducted in a reasonable manner. Unreasonable collection tactics shall include but not be limited to any conduct by the licensee or employee or agent thereof which:

1. Causes the borrower or any member of the borrower's family to suffer or reasonably fear bodily injury or physical harm.
2. Constitutes a willful or intentional trespass by force of the borrower's home or the borrower's personal property, without process of law.
3. Involves use of printed material which simulates or resembles summons, warrants or other legal processes.
4. Although otherwise lawful, occurs at an unreasonable hour of the night. Attempts to make collections by means of personal visits, telephone calls and the like shall be prima facie unreasonable if they occur between the hours of 9:00 p.m. and 6:00 a.m.
5. Denies the borrower the possession of or use of items of personal property belonging to the borrower unless the borrower has granted the lender a security interest in the property and the lender has subsequently obtained possession of such property in accordance with applicable law.
6. Threatens or commences criminal prosecutions for worthless checks pursuant to Ala. Code §13A-9-13.1, when a personal check is held as security for the loan.

Author: V. Lynne Windham, Associate Counsel

Statutory Authority: Code of Alabama 1975, Sections 5 -18-9 and 5-18-12;

Ala. Const., Art. I §20

History: Amended August 1, 2002