



OFFICE OF CONSUMER FINANCE

Frequently Asked Questions for Deferred Presentment Licensees

Affected by Coronavirus Disease 2019 (Referred to as COVID-19)

Can a Licensee defer the presentment of a check beyond 31 days during the state of emergency posed by COVID-19?

Yes. A licensee may extend the maturity date of a transaction due to the impact of COVID-19 if the following requirements are met:

1. The licensee obtains voluntarily written or verbal notification from the customer, which is verifiable in writing or by electronic means, that the customer:
 - 1) Desires to extend the transaction beyond 31 days and
 - 2) Understands that by keeping this transaction open, their eligibility to obtain additional deferred transactions will be impacted and they may not be eligible to obtain a new transaction until the current transaction is paid; and,
2. The licensee **does not** assess, charge, or collect any additional fee from the customer in exchange for extending the transaction beyond 31 days.

A licensee that assesses, charges, or collects any additional fee from a customer in exchange for extending the transaction beyond 31 days may be subject to administrative discipline under the Deferred Presentment Service Transactions Act (DPSTA).¹

We have a customer whose employment is shut down because of COVID-19 that is currently in a repayment plan with us. The customer's next payment is due, but the customer is unable to make the payment and is filing for unemployment. Do we still have to deposit the customer's check due to the customer's failure to make the next payment?

Repayment plans are to be set up on the next three dates the customer receives regular wages or compensation from an employer or other regular source of income; however, future dates a customer receives unemployment benefits can be taken into consideration. In the example above, it is acceptable

¹ The Veritec database will not allow a licensee to enter a maturity date that is more than 31 days from the transaction date. When extending transactions beyond 31 days, licensees must place an auto-close hold on the transaction and document the new maturity date within their own system or customer records. Please note an auto-close hold cannot be entered prior to the maturity date. Management should generate reports in Veritec of open transactions by due date to identify when auto-close holds can be applied to specific transactions. **Licensees must ensure transactions remain open in the Veritec database until the obligations are satisfied.** Written notification from the customer may be obtained by email, text or fax. When verbal notification from the customer is obtained, it is highly recommended the licensee record the call. If this is not possible, the licensee must document the verbal request either in the licensee system or the customer file. A single transaction may be extended multiple times as long as the final maturity date does not extend past the expiration of the Governor's State of Emergency Order and no additional fees are charged.

Information around this outbreak is changing rapidly. As such, this document will be updated as more information is available.

to not deposit the customer's check and to amend the repayment plan by revising the installment dates based upon when the customer will be receiving their unemployment benefits.²

If my deferred presentment location is closed for an extended period of time due to COVID-19, can I hold the customer checks beyond the original maturity date, or must the checks be deposited?

If a location is closed, customer checks cannot be deposited and must be held until the location is reopened. All customers must be notified when the location is reopened and provided 2 business days to redeem the check. Checks not redeemed during this timeframe must then be deposited. An auto-close hold must be placed on these transactions.

I have a customer who is in a Repayment Plan and cannot come in to make one of the installment payments due to COVID-19. Can the installment payment due date be extended?

Yes. A licensee may extend the Repayment Plan maturity date of an installment payment due to the impact of COVID-19 if the following requirements are met:

1. The licensee obtains voluntarily written or verbal notification from the customer, which is verifiable in writing or by electronic means, that the customer:
 - a. Desires to extend the Repayment Plan installment payment beyond the original due date; and,
 - b. Understands that by keeping this transaction open, their eligibility to obtain additional deferred transactions will be impacted and they will not be eligible to obtain a new transaction until the current transaction is paid; and,
2. The licensee **does not** assess, charge, or collect any additional fee from the customer in exchange for extending the Repayment Plan installment payment.

I have a customer who is in a Repayment Plan and cannot come in to make one of the installment payments due to COVID-19. Can the licensee debit the customer's bank account that the check is drawn on via ACH for the amount of the installment payment only?

A licensee may collect the Repayment Plan installment payment by means of one telephone-initiated entry only if the customer (drawer) requests to make the payment and if all of the following are met:

1. The drawer agrees to each telephone-initiated entry.
2. Each telephone-initiated entry is a single, date-specific payment and does not authorize more than one payment.
3. The licensee **does not** charge the drawer a fee in connection with the telephone-initiate entry.

² Existing repayment plans must not be cancelled in Veritec because system parameters may consider customers ineligible for repayment plans. The revised installment dates do not need to be entered in the Veritec database. When revising installment dates, licensees must place an auto-close hold on the transaction and document the new installment due dates within their own system or customer records. Please note an auto-close hold cannot be entered prior to the due date of the last installment payment. Management should generate reports in Veritec to identify when auto-close holds can be applied to specific transactions. The Transactions Scheduled for Auto Close report will provide this information for transactions with repayment plans, but this report will only include those where the final installment due date has passed. Licensees must ensure transactions remain open in the Veritec database until the obligations are satisfied. Written notification from the customer may be obtained by email, text or fax. When verbal notification from the customer is obtained, it is highly recommended the licensee record the call. If this is not possible, the licensee must document the verbal request by placing a note in the licensee system or the customer file. Licensees cannot charge a fee to modify repayment plan installment dates.

Information around this outbreak is changing rapidly. As such, this document will be updated as more information is available.

Is DIFS currently processing applications and amendments for Deferred Presentment licenses? If so, where do I send them?

DIFS is currently accepting Deferred Presentment applications and amendments during the Covid-19 pandemic. Applications should be mailed to the following address:

DIFS – CFLU
PO Box 30220
Lansing, MI 48909-7720

Please DO NOT use overnight mail at this time.

What if I encounter a situation that is not addressed within these FAQs?

Email your question to DIFS-OCFInquiriesandInfo@michigan.gov. Please mark your message “High Importance” and include **DEFERRED PRESENTMENT COVID-19 QUESTION** in your subject line and you will receive a direct response.