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## **LB 474 – Nebraska Installment Loan Act and Nebraska Installment Sales Act Updates**

**July 2, 2025** – As the Nebraska Department of Banking and Finance (“Department”) is the state agency responsible for the licensing, regulation, and supervision of Nebraska-licensed and registered Installment Loan Companies and Installment Sales Companies, the Department is issuing this update to provide notice of an upcoming change to the statutes governing these licenses.

Effective October 1, 2025, the Nebraska Installment Loan Act is being combined with the Nebraska Installment Sales Act, to create the Nebraska Installment Loan and Sales Act. The original Nebraska Installment Loan Act, contained within Neb. Rev. Stat. §§ 45-1001 to 45-1070, will be repealed, and all substantive provisions of the original act will now be contained within this combined act. Despite the combination of these two statutory acts, there will continue to be two distinct license types, one for installment loan activity and one for installment sales activity.

While the majority of the substantive items within each of the original two acts will remain the same, the Department would like to emphasize and highlight the major updates to our licensing and examination processes from this newly combined act. These include:

- Reorganizing the statutory provisions into an easier to understand order;
- Streamlining the licensing procedure for installment loan licensees, making the application process less expensive and more efficient, by eliminating and modernizing provisions related to hearings, publications, and the brick-and-mortar location requirement;
- Allowing installment loan licensees to utilize branch licensing, which creates a quicker and more efficient process for those companies conducting Nebraska business from multiple locations;

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- Reducing costs and allowing for better resource allocation for the Department and our regulated industry by allowing the Department to conduct a single examination that covers an installment loan license and its branches, rather than requiring multiple, duplicative examinations of the same company for every location;
- Ensuring that installment loan licensees are now subject to the same net worth requirements as installment sales licensees; and
- Requiring that installment sales licensees must now provide annual reports to the Department regarding Nebraska activity volume, similar to what is required of installment loan licensees.

As is stated above, there will continue to be two distinct license types: one for Installment Loan activity and one for Installment Sales activity.

**All provisions relating to consumer protection, interest rates, time-price differentials, insurance, fees, and timelines, will remain the same in this combined act, as they were in their original acts.**

All licensees under this newly combined act will still be required to utilize the Nationwide Multistate Licensing System (“NMLS”) for all licensing matters, including annual renewals, which will remain on the same annual timeline from November 1 to December 31.

These changes were contained within LB 474 (2025). The text of LB 474 is available on the Nebraska Legislature’s website at:

<https://nebraskalegislature.gov/FloorDocs/109/PDF/Slip/LB474.pdf>.

As licensees under this newly combined act, you may see some changes in the near future regarding the Department’s NMLS checklists, the Department’s website, and other areas where the out-of-date names, links, citations, and references were located. The Department encourages all licensees to review the applicable sections of LB 474.

If you have questions regarding this update or any changes that will result from this update, please contact the Department by phone at (402) 471-2171 or by email to: [dob.consumerfinance@nebraska.gov](mailto:dob.consumerfinance@nebraska.gov).

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