



## *Department of Banking and Finance*

*2990 Brandywine Road, Suite 200*

*Atlanta, Georgia 30341-5565*

*770-986-1633*

*[dbf.georgia.gov](http://dbf.georgia.gov)*

*Brian P. Kemp*  
*Governor*

*Kevin B. Hagler*  
*Commissioner*

July 1, 2020

### **VIA E-MAIL AND U.S. MAIL:**

Rob Robinson  
Georgia Installment Lenders Assoc.  
Legislative Chairman  
718 Green Street  
Gainesville, Georgia 30501

Haydon Stanley  
Georgia Financial Services Assoc.  
Executive Director  
c/o Fiveash-Stanley, Inc.  
828 Ralph McGill Blvd, NE, Suite W7  
Atlanta, Georgia 30306

RE: Electronic Installment Loan Transactions

Dear Mr. Robinson and Mr. Stanley:

During our discussions related to SB462, a question that has arisen on a number of occasions is whether the Department of Banking and Finance ("Department") believes a loan application and related documents can be executed electronically under the provisions of SB462. For the reasons set forth below, it is the Department's view that electronic execution is permissible.

The Uniform Electronic Transactions Act ("UETA"), O.C.G.A. § 10-12-1 *et seq.*, provides in pertinent part that "[a] contract shall not be denied legal effect or enforceability solely because an electronic record was used in its formation" and that "[i]f a law requires a signature, an electronic signature shall satisfy the law." O.C.G.A. § 10-12-7.

The position of the Department is that the express provisions of UETA would apply to a loan made under the Georgia Installment Loan Act ("Act"), O.C.G.A. § 7-3-1 *et seq.*, if the provisions of UETA are followed. This includes, but is not limited to, both the consumer and the installment lender agreeing to conduct the transaction by electronic means. O.C.G.A. § 10-12-5. Thus, licensed installment lenders are authorized to make installment loans electronically and remotely so long as such loans are in compliance with UETA and the Act.

In order to provide further clarity on this topic, the Department intends on issuing proposed rules that will provide that UETA applies to installment loan transactions made pursuant to the Act.

Mr. Robinson and Mr. Stanley

July 1, 2020

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If you have any questions or wish to discuss this matter, please contact Bo Fears at (770) 986-1650.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin B. Hagler", is written over the printed name and title.

KEVIN B. HAGLER  
Commissioner