549.37 REQUIRED DISCLOSURES TO PAYEE.

Not less than ten days before the date on which a payee signs a transfer agreement, the transferee shall provide to the payee a separate disclosure statement, in bold type no smaller than 14-point font, setting forth the following:

(1) the amounts and due dates of the structured settlement payments to be transferred;

(2) the aggregate amount of such payments;

(3) the discounted present value of the payments to be transferred, which must be identified as the "calculation of current value of the transferred structured settlement payments under federal standards for valuing annuities," and the amount of the applicable federal rate used in calculating such discounted present value;

(4) the gross advance amount;

(5) an itemized list of all applicable transfer expenses, other than attorney fees and related disbursements, payable in connection with the transferee's application for approval of the transfer, and the transferee's best estimate of the amount of any such attorney fees and related disbursements;

(6) the effective annual interest rate, which must be disclosed in a statement in the following form: "On the basis of the net amount that you will receive from us and the amounts and timing of the structured settlement payments that you are transferring to us, you will, in effect be paying interest to us at a rate of ..... percent per year.";

(7) the net advance amount;

(8) the quotient, expressed as a percentage, obtained by dividing the net payment amount by the discounted present value of the payments;

(9) the amount of any penalties or liquidated damages payable by the payee in the event of any breach of the transfer agreement by the payee;

(10) that the payee has the right to cancel the transfer agreement, without penalty or further obligation, until the transfer is approved by the court;

(11) that the payee has the right to seek and receive independent professional advice from an attorney, certified public accountant, actuary, or other licensed professional adviser regarding the proposed transfer and should consider doing so before agreeing to the transfer of any structured settlement payment rights. The notice must also contain: "It is prohibited for us to refer you to a specific independent professional adviser. We may refer you to a state or local referral service, bar association, legal aid, or any other entity unrelated to us which assists people with locating independent professional advice, if requested."; and

(12) that the payee has the right to seek out and consider additional offers for transferring the structured settlement payment rights and should do so.

History: *2022 c 62 s 25*