

HOUSE BILL 2604

By Montgomery

AN ACT to amend Tennessee Code Annotated, Section 45-5-403(b), relative to loan charges.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-5-403(b)(1), is amended by deleting the language "seven and one-half percent (7.5%)" wherever it appears in the subdivision and by substituting instead the language "ten percent (10%)".

SECTION 2. Tennessee Code Annotated, Section 45-5-403(b)(1)(D), is amended by deleting the language "eight hundred dollars (\$800)" and by substituting instead the language "one thousand dollars (\$1,000)", and is further amended by deleting the language "seventeen dollars (\$17.00)" and by substituting instead the language "twenty dollars (\$20.00)".

SECTION 3. Tennessee Code Annotated, Section 45-5-403(b)(1)(E), is amended by deleting the subdivision in its entirety.

SECTION 4. Tennessee Code Annotated, Section 45-5-403(b)(1), is amended by adding the following language as new, appropriately designated subdivisions:

( ) On any loan of an amount in excess of one thousand dollars (\$1,000) but not more than one thousand two hundred fifty dollars (\$1,250), there shall be allowed an acquisition charge for making the loan not in excess of ten percent (10%) of the amount of the principal. In addition, an installment account handling charge shall be allowed. The handling charge shall not exceed twenty-three dollars (\$23.00) per month.

( ) On any loan of an amount in excess of one thousand two hundred fifty dollars (\$1,250) but not more than one thousand five hundred dollars (\$1,500), there shall be allowed an acquisition charge for making the loan not in excess of ten percent (10%) of the amount of the principal. In addition, an installment account handling charge

shall be allowed. The handling charge shall not exceed twenty-six dollars (\$26.00) per month.

( ) On any loan of an amount in excess of one thousand five hundred dollars (\$1,500) but not more than one thousand seven hundred fifty dollars (\$1,750), there shall be allowed an acquisition charge for making the loan not in excess of ten percent (10%) of the amount of the principal. In addition, an installment account handling charge shall be allowed. The handling charge shall not exceed twenty-nine dollars (\$29.00) per month.

( ) On any loan of an amount in excess of one thousand seven hundred fifty dollars (\$1,750) but not more than two thousand dollars (\$2,000), there shall be allowed an acquisition charge for making the loan not in excess of ten percent (10%) of the amount of the principal. In addition, an installment account handling charge shall be allowed. The handling charge shall not exceed thirty-two dollars (\$32.00) per month.

SECTION 5. Tennessee Code Annotated, Section 45-5-403(b)(2), is amended by deleting the language "twelve (12) months", and by substituting instead the language "twenty-five (25) months".

SECTION 6. This act shall take effect July 1, 2012, the public welfare requiring it.