

SENATE BILL 1179

By Ketron

AN ACT to amend Tennessee Code Annotated, Section 45-17-112, relative to deferred presentment procedures.

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

SECTION 1. Tennessee Code Annotated, Section 45-17-112, is amended by deleting subsection (b) in its entirety and by substituting instead the following:

(b) A licensee may charge a fee to defray operational costs, including, but not limited to, investigating the checking account and copying required documents; photographing the person signing the check; securing the check and customer records in a safe, fire-proof place; maintaining records as required by this chapter; maintaining required capital and liquidity; processing, documenting and closing the transaction; and for other expenses and losses. The fee authorized by this subsection (b) shall not exceed fifteen percent (15%) of the face amount of the check. This fee, and the fee charged pursuant to subsection (d), when made and collected, shall not be deemed interest for any purpose of law.

SECTION 2. Tennessee Code Annotated, Section 45-17-112(d), is amended by deleting the subsection in its entirety and by substituting instead the following:

(d) Any agreement for deferred presentment of a check must be in writing and signed by the maker of the check. The maker of a check shall have the right to redeem the check from the licensee before the agreed date of deposit upon payment to the licensee of the amount of the check; provided, however, that the licensee may provide in the services agreement that the licensee may charge a one-time premium service fee of fifteen dollars (\$15.00) at the time the maker redeems the check if the licensee defers presentment of the check beyond the agreed date of deposit and the maker of the check

fails to redeem the check within five (5) days after such date. A licensee shall not defer presentment of any personal check for more than thirty-one (31) calendar days after the date the check is tendered to the licensee.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to deferred presentment transactions entered into on or after such date.