

SENATE BILL 2194

By Kyle

AN ACT to amend Tennessee Code Annotated, Title 16;
Title 20; Title 25 and Title 45, relative to actions on
certain consumer loans.

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

SECTION 1. Tennessee Code Annotated, Title 25, Chapter 1, Part 1, is amended by adding the following language as a new, appropriately designated section:

25-1-1__.

(a) If, after the effective date of this act, in the event of a default by the debtor on a consumer loan, an action is filed by a lender or financial institution for the repayment of a consumer loan or to recover personal property used to secure a consumer loan, it is a defense to such action that the loan originator's primary consideration was financial considerations to the lender, rather than the credit worthiness of the borrower.

(b) For purposes of this section, "consumer loan" means an extension of credit:

(A) To one (1) or more natural persons;

(B) Primarily for personal, family or household purposes;

(C) Which loan is unsecured or is secured by personal property of the consumer; and

(D) Which loan is not a deed of trust, mortgage or other lien secured by real property for the payment of money or other thing of value.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.