

By Senator Rossin

35-1028-98

1 A bill to be entitled
2 An act relating to consumer finance and
3 installment sales; amending s. 516.05, F.S.;
4 requiring certain licensees to report
5 bankruptcy filings to the Department of Banking
6 and Finance; amending s. 520.085, F.S.;
7 providing for acquisition fees on
8 simple-interest contracts; creating s. 520.997,
9 F.S.; providing for certain licensees to report
10 bankruptcy filings to the department; providing
11 an effective date.

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13 Be It Enacted by the Legislature of the State of Florida:

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15 Section 1. Subsection (9) is added to section 516.05,
16 Florida Statutes, to read:

17 516.05 License.--

18 (9) A licensee that is the subject of a voluntary or
19 involuntary bankruptcy filing must report such filing to the
20 department within 7 business days after the filing date.

21 Section 2. Subsection (3) of section 520.085, Florida
22 Statutes, is amended to read:

23 520.085 Simple-interest contracts.--A retail
24 installment contract under The Motor Vehicle Retail Sales
25 Finance Act may provide that the rate of finance charge be
26 calculated on a simple-interest basis subject to the following
27 provisions:

28 (3) The provisions of s. 520.09 which prescribe a
29 refund credit upon prepayment in full before maturity of the
30 unpaid balance of a retail installment contract shall not be
31 applicable to a simple-interest contract. However, the lender

1 may impose an acquisition charge for services performed on
2 behalf of the borrower for preparation of the retail
3 installment contract, not to exceed \$75, if the contract is
4 prepaid in full within 6 months after the effective date of
5 the contract.

6 Section 3. Section 520.997, Florida Statutes, is
7 created to read:

8 520.997 Report of action in bankruptcy.--A licensee
9 that is the subject of a voluntary or involuntary bankruptcy
10 filing must report such filing to the department within 7
11 business days after the filing date.

12 Section 4. This act shall take effect July 1, 1998.

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15 SENATE SUMMARY

16 Revises certain consumer finance and installment sales
17 provisions. Requires certain licensees to report
18 bankruptcy filings. Allows for acquisition fees on simple
19 interest contracts.
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