

By Representative Littlefield

1 A bill to be entitled
2 An act relating to consumer finance loan
3 delinquency charges; amending s. 516.031, F.S.;
4 authorizing a delinquency charge on consumer
5 finance loans under certain circumstances;
6 providing an effective date.

7
8 Be It Enacted by the Legislature of the State of Florida:

9
10 Section 1. Paragraph (a) of subsection (3) of section
11 516.031, Florida Statutes, is amended to read:

12 516.031 Finance charge; maximum rates.--

13 (3) OTHER CHARGES.--

14 (a) In addition to the interest, delinquency, and
15 insurance charges herein provided for, no further or other
16 charges or amount whatsoever for any examination, service,
17 commission, or other thing or otherwise shall be directly or
18 indirectly charged, contracted for, or received as a condition
19 to the grant of a loan, except:

20 1. An amount not to exceed \$10 to reimburse a portion
21 of the costs for investigating the character and credit of the
22 person applying for the loan;

23 2. An annual fee of \$25 on the anniversary date of
24 each line-of-credit account;

25 3. Charges paid for brokerage fee on a loan or line of
26 credit of more than \$10,000, title insurance, and the
27 appraisal of real property offered as security when paid to a
28 third party and supported by an actual expenditure;

29 4. Intangible personal property tax on the loan note
30 or obligation when secured by a lien on real property;

31

1 5. The documentary excise tax and lawful fees, if any,
2 actually and necessarily paid out by the licensee to any
3 public officer for filing, recording, or releasing in any
4 public office any instrument securing the loan, which fees may
5 be collected when the loan is made or at any time thereafter;

6 6. The premium payable for any insurance in lieu of
7 perfecting any security interest otherwise required by the
8 licensee in connection with the loan, if the premium does not
9 exceed the fees which would otherwise be payable, which
10 premium may be collected when the loan is made or at any time
11 thereafter;

12 7. Actual and reasonable attorney's fees and court
13 costs as determined by the court in which suit is filed; ~~or~~

14 8. Actual and commercially reasonable expenses of
15 repossession, storing, repairing and placing in condition for
16 sale, and selling of any property pledged as security; or-

17 9. A delinquency charge not to exceed \$10 for each
18 payment in default for a period of not less than 10 days, if
19 the charge is agreed upon, in writing, between the parties
20 before imposing the charge.

21
22 Any charges, including interest, in excess of the combined
23 total of all charges authorized and permitted by this chapter
24 constitute a violation of chapter 687 governing interest and
25 usury, and the penalties of that chapter apply. In the event
26 of a bona fide error, the licensee shall refund or credit the
27 borrower with the amount of the overcharge immediately but
28 within 20 days from the discovery of such error.

29 Section 2. This act shall take effect July 1, 2000.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

HOUSE SUMMARY

Authorizes a maximum delinquency charge of \$10 for
consumer loan payments in default for more than 10 days,
if the charge is agreed upon, in writing, between the
parties before imposing the charge.