

By Senator Grant

13-1140-00

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A bill to be entitled

An act relating to consumer finance; amending
s. 516.031, F.S.; providing for delinquency
charges on consumer finance loans; prescribing
standards for imposition of such charges;
providing an effective date.

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

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

516.031 Finance charge; maximum rates.--

(3) OTHER CHARGES.--

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

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

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

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

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

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 it is imposed.

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.
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SENATE SUMMARY

Authorizes the imposition of delinquency charges on consumer finance loans, so long as the charge does not exceed \$10 for each payment in default, the period of default is at least 10 days, and the charge is agreed to in writing by the parties before it is imposed.