

1 A bill to be entitled
 2 An act relating to contracts for loans or credit; creating
 3 s. 501.0119, F.S.; prohibiting creditors from increasing
 4 rates of interest or imposing fees on borrower accounts
 5 based upon certain activities of the borrower; providing a
 6 definition; providing for voiding certain contract, loan,
 7 or credit agreement terms or provisions; providing an
 8 effective date.

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

12 Section 1. Section 501.0119, Florida Statutes, is created
 13 to read:

14 501.0119 Contracts for loans or credit; increasing rate of
 15 interest or imposing fees prohibited; certain instruments
 16 void.--

17 (1) A creditor may not increase the rate of interest upon
 18 the existing account of a borrower or impose a fee upon the
 19 outstanding balance owed by a borrower if the increased rate of
 20 interest or the imposition of a fee is based solely upon the
 21 borrower's indebtedness to any other creditor, an adverse change
 22 in the borrower's consumer credit report or credit score, or the
 23 borrower's failure to make timely payments to any other
 24 creditor.

25 (2) For purposes of this section, the term "account"
 26 includes, but is not limited to, loans, advances, lines of
 27 credit, credit cards, open-end credit accounts, and similar
 28 financial transactions.

HB 421

2007

29 (3) Notwithstanding any other provision of law, any term
30 or provision in a contract, loan, or credit agreement contrary
31 to this section is void.

32 Section 2. This act shall take effect July 1, 2007.