

By Senator Justice

16-866-07

See HB

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A bill to be entitled

An act relating to contracts for loans or credit; creating s. 501.0119, F.S.; prohibiting creditors from increasing rates of interest or imposing fees on borrower accounts based upon certain activities of the borrower; providing a definition; providing for voiding certain contract, loan, or credit agreement terms or provisions; providing an effective date.

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

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

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

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

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

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

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