

By Senator Gibson

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1 A bill to be entitled
2 An act relating to consumer finance loans; amending s.
3 516.031, F.S.; prohibiting a person licensed to make
4 and collect loans under the Florida Consumer Finance
5 Act from charging prepayment penalties for loans;
6 amending s. 516.36, F.S.; providing requirements for
7 loan terms; providing an effective date.
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9 Be It Enacted by the Legislature of the State of Florida:
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11 Section 1. Paragraph (c) is added to subsection (3) of
12 section 516.031, Florida Statutes, to read:

13 516.031 Finance charge; maximum rates.—

14 (3) OTHER CHARGES.—

15 (c) A licensee may not require a borrower to pay a
16 prepayment penalty for paying all or part of the loan principal
17 before the date on which the payment is due.

18 Section 2. Section 516.36, Florida Statutes, is amended to
19 read:

20 516.36 Installment requirement.—

21 (1) Every loan made pursuant to this chapter must be repaid
22 in periodic installments as nearly equal as mathematically
23 practicable, except that the final payment may be less than the
24 amount of the prior installments. Installments may be due every
25 2 weeks, semimonthly, or monthly. This section does not apply to
26 lines of credit.

27 (2) A loan with a principal balance upon origination of no
28 more than \$4,000 must provide a term of at least 90 days. A loan
29 with a principal balance upon origination that exceeds \$4,000

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30 must provide a term of at least 12 months.

31 Section 3. This act shall take effect July 1, 2021.