

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
 22 repaid in periodic installments as nearly equal as
 23 mathematically practicable, except that the final payment may be
 24 less than the amount of the prior installments. Installments may
 25 be due every 2 weeks, semimonthly, or monthly. This section does

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26 | not apply to 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
30 | must provide a term of at least 12 months.

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