

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

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BILL #: [HB 959](#)

TITLE: Electronic Payment Processing Fees for Motor Vehicle Purchases

SPONSOR(S): Johnson

COMPANION BILL: [CS/SB 838](#) (Yarborough)

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Industries & Professional Activities](#)



[Commerce](#)

SUMMARY

Effect of the Bill:

The bill authorizes the holder of a retail installment contract, or its agent, to collect a fee for processing a retail buyer's payment under a retail installment contract as long as certain criteria are met.

Fiscal or Economic Impact:

Indeterminate. The bill appears to have no impact on state or local government. The bill may have an indeterminate impact on the private sector.

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ANALYSIS

EFFECT OF THE BILL:

The bill defines: (Section [1](#))

- "Electronic payment" means a payment made by credit card, debit card, electronic funds transfer, electronic check, or other electronic method.

The bill authorizes the holder of a [retail installment contract](#), or its agent, to collect a [fee for processing](#) a [retail buyer's](#) payment under a retail installment contract when: (Section [1](#))

- The fee is reasonably related to the actual expense incurred by the holder in processing the payment;
- The [holder](#) allows the retail buyer to make a payment by a method other than a payment which incurs a fee;
- The holder does not establish electronic payment as the expected form of payment; and
- The holder notifies the retail buyer of the amount of the fee and the available fee-free payment methods, before the retail buyer agrees to make a payment that incurs a fee.

The bill provides an effective date of July 1, 2026.

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

The bill may have an indeterminate fiscal impact on the private sector. The bill may have a positive impact on motor vehicle dealers by relieving them of responsibility for processing fees. However, the bill may increase costs for consumers who would be required to pay those fees.

STORAGE NAME: h0959.IPA

DATE: 2/10/2026

RELEVANT INFORMATION

SUBJECT OVERVIEW:

The Office of Financial Regulation

The Office of Financial Regulation (OFR) is the regulatory authority for Florida’s financial services industry.¹ The OFR enforces and administers the Financial Institutions Codes; supervises banks, credit unions, savings associations, and international bank agencies; and licenses and regulates non-depository finance companies and the securities industry.²

The OFR reports to the Financial Services Commission (Commission). The Commission is an executive agency within the Department of Financial Services and is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture.³

Regulation of Consumer Finance

The Division of Consumer Finance is responsible for licensing and overseeing different facets of non-depository financial services sectors. This includes the regulation of motor vehicle retail installment sellers, governed by ch. 520, F.S.

Florida Motor Vehicle Retail Sales Finance Act

The Florida Motor Vehicle Retail Sales Finance Act⁴ regulates sellers⁵ who enter into retail installment contracts with [buyers](#)⁶ for the purchase or lease of a motor vehicle and [holders](#)⁷ of such contracts. Under the Act, individuals, excluding banks, trust companies, savings and loan associations, or credit unions authorized to operate in Florida, must obtain a license from the OFR to conduct motor vehicle retail installment transactions.⁸

To obtain a license, an application for licensure must be submitted in a form prescribed by the Commission and include any information necessary to determine eligibility. Applicants must provide detailed personal, ownership, and background information for themselves and for any officer, director, control person, partner, joint venturer, or individual holding a 10 percent or greater ownership interest. The OFR may require information concerning any such applicant or person, including, but not limited to, their full name and any other names by which they may have been known, age, social security number, residential history, qualifications, educational and business history, and disciplinary and criminal history.⁹

Each initial application for a principal or branch location must be accompanied by a nonrefundable \$175 fee, and an application is deemed received only after submission of a completed form and all required fees. Upon approval, the OFR may issue a license for a term of up to two years.¹⁰

¹ Florida Office of Financial Regulation, *About Our Agency*, <https://flofr.gov/aboutus/about-ofr> (last visited Feb. 6, 2026).
² [S. 20.121\(3\)\(a\)2, F.S.](#)
³ [S. 20.121\(3\), F.S.](#)
⁴ Ss. [520.01-520.10](#), [520.12](#), [520.125](#), and [520.13, F.S.](#)
⁵ “Motor vehicle retail installment seller” or “seller” means a person engaged in the business of selling motor vehicles to retail buyers in retail installment transactions. [S. 520.02\(11\), F.S.](#)
⁶ “Retail buyer” or “buyer” means a person who buys a motor vehicle from a seller not principally for the purpose of resale, and who executes a retail installment contract in connection therewith or a person who succeeds to the rights and obligations of such person. [S. 520.02\(16\), F.S.](#)
⁷ “Holder” of a retail installment contract means the retail seller of a motor vehicle retail installment contract or an assignee of such contract. [S. 520.02\(8\), F.S.](#)
⁸ [S. 520.03\(1\), F.S.](#)
⁹ [S. 520.03\(2\), F.S.](#)
¹⁰ [S. 520.03\(2\), F.S.](#)

A licensed entity may only transact business as a motor vehicle retail installment seller under its licensed name.¹¹ Further, licenses are not transferable or assignable.¹²

Retail Installment Contracts

A [retail installment contract](#) is an agreement made in Florida for a motor vehicle in which the buyer pays over time and the seller keeps title or a lien as security for the buyer’s obligation. This includes conditional sales or lease-type agreements in which the bailee or lessee pays compensation for use of a motor vehicle and that effectively function as a sale by requiring or allowing the bailee or lessee to become the vehicle’s owner for little or no additional cost after completing payments in accordance with the contract.¹³

Retail installment contracts must be in writing and contain a “Notice to the Buyer” which includes specified information about consumer rights under the Act.¹⁴

A retail installment contract must include, among other things, specific details such as a statement on the absence of liability insurance coverage for bodily injury and property damage, the names and addresses of the seller and buyer, a detailed description of the motor vehicle, including make, year, model, and identification number, as well as financial information like the amount financed,¹⁵ finance charge,¹⁶ total payments, total sale price, and the number, amount, and date of scheduled payments.¹⁷

Further, the seller is required to provide a separate written breakdown of the amount financed, disclosing the cash price,¹⁸ down payment,¹⁹ the difference between cash price and down payment, amounts for insurance and other benefits, and any taxes and official fees²⁰ not covered in the cash price.²¹ This breakdown may be presented on a separate disclosure statement or within the same document as the contract, provided it is clearly and prominently segregated.²²

Transfer of Retail Installment Contracts

¹¹ [S. 520.03\(4\), F.S.](#)
¹² *Id.*
¹³ [S. 520.02\(17\), F.S.](#)
¹⁴ [S. 520.07\(1\), F.S.](#)
¹⁵ The amount financed is calculated by determining the cash price, and subtracting any down payment; adding any other amounts that are financed by the creditor and that are not part of the finance charge, including any additional amount financed in a retail installment contract to discharge a security interest, lien, or lease interest on a motor vehicle traded in in connection with the contract; and subtracting any prepaid finance charge. [S. 520.07\(2\)\(a\), F.S.](#)
¹⁶ “Finance charge” means the cost of consumer credit as a dollar amount. The term “finance charge” includes any charge payable directly or indirectly by the buyer and imposed directly or indirectly by the seller as an incident to or a condition of the extension of credit. The term “finance charge” does not include any charge of a type payable in a comparable cash transaction. [S. 520.02\(6\), F.S.](#)
¹⁷ [S. 520.07, F.S.](#)
¹⁸ “Cash price” means the price at which a seller, in the ordinary course of business, offers to sell for cash the property or service that is the subject of the transaction. [S. 520.02\(2\), F.S.](#)
¹⁹ “Down payment” means the amount, including the value of any property used as a trade-in, paid to a seller to reduce the cash price of goods or services purchased in a credit sale transaction. A deferred portion of a down payment may be treated as part of the down payment if it is payable not later than the due date of the second otherwise regularly scheduled payment and is not subject to a finance charge. [S. 520.02\(5\), F.S.](#)
²⁰ “Official fees” means fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of, or for perfecting, releasing, or satisfying, any security related to the credit transaction, or the premium payable for any insurance in lieu of perfecting any security interest otherwise required by the creditor in connection with the transaction, if the premium does not exceed the fees and charges which would otherwise be payable to public officials. [S. 520.02\(13\), F.S.](#)
²¹ [S. 520.07\(3\), F.S.](#)
²² *Id.*

Under the Act, the seller of a retail installment contract may transfer or sell their interest in the contract. A sale or transfer of a retail installment contract occurs when the original seller assigns its rights under the contract to another third-party debt collector, who becomes the holder of the retail installment contract.²³

Payment Processing Fees

A pay-to-pay fee, also known as a convenience fee, is a fee charged when a buyer makes a payment through a particular channel. Companies may allow a buyer to make a payment in person or by mail for free, but charge a fee for the convenience of taking the payment over the phone or online. These fees typically range from a few dollars to \$15 or more, or are based on a percentage of the payment.²⁴

Currently, the Florida Motor Vehicle Retail Sales Finance Act **does not** authorize or prohibit a seller to charge a fee specifically for processing electronic payments on motor vehicle retail installment contracts. Florida law also does not indicate whether auto financing agreements must include notice of such fees.

However, federal law, specifically the Fair Debt Collection Practices Act (FDCPA), does limit when a third-party debt collector may charge payment processing fees. A third-party debt collector is an entity that collects debts on behalf of an original creditor,²⁵ typically after the original creditor has assigned or sold the obligation. According to the Consumer Financial Protection Bureau (CFPB) pay-to-pay fees are “only legal if you agreed to the fee when you first took out the debt, or a law specifically allows the fee.” Absent express authorization in the underlying agreement or applicable law, a debt collector may not impose or collect such fees.²⁶

Although many states, including Florida, have enacted laws banning certain payment related fees, such bans have been determined to be unconstitutional. For example, in 2015, the Eleventh Circuit struck down s. 501.0117, F.S., prohibiting a seller from imposing a surcharge on the buyer for electing to use a credit card, as an unconstitutional violation of free speech.²⁷ Still, at least one state has adopted provisions allowing auto finance companies to charge fees for payments under certain conditions.²⁸

Despite this, courts have increasingly scrutinized convenience fees charged for online or phone payments, particularly when those fees are not expressly authorized by contract or statute. In 2022, the Fourth Circuit held that charging a \$5 payment fee violated Maryland law because neither the mortgage contract or state law expressly allowed it.²⁹ More recently, in 2025, the Eleventh Circuit held that charging any amount for making mortgage payments online or by phone when the mortgage contract did not expressly authorize such fee was a violation of the FDCPA.³⁰

²³ [S. 520.08\(4\), F.S.](#)

²⁴ Consumer Financial Protection Bureau, *What is a convenience fee or pay-to-pay fee?* (June 29, 2022) <https://www.consumerfinance.gov/ask-cfpb/what-is-a-convenience-fee-or-pay-to-pay-fee-en-2126/> (last visited Feb. 6, 2026).

²⁵ An original creditor is the company that offers the loan or credit. Consumer Financial Protection Bureau, *Debt Collection Key Terms*, <https://www.consumerfinance.gov/consumer-tools/debt-collection/answers/key-terms/> (last visited Feb. 6, 2026).

²⁶ 15 U.S.C. § 1692g (2010); Consumer Financial Protection Bureau, *What is a convenience fee or pay-to-pay fee?* (June 29, 2022) <https://www.consumerfinance.gov/ask-cfpb/what-is-a-convenience-fee-or-pay-to-pay-fee-en-2126/> (last visited Feb. 6, 2026); *See also* Consumer Financial Protection Bureau, *Advisory Opinion: Pay-to-Pay Fees* (July 5, 2022) https://files.consumerfinance.gov/f/documents/cfpb_convenience-fees_advisory-opinion_2022-06.pdf (last visited Feb. 6, 2026).

²⁷ *Dana’s Railroad Supply v. Attorney General, State of Florida*, 807 F.3d 1235 (11th Cir. 2015).

²⁸ Tex. Fin. Code § 348.416 (2025).

²⁹ *Alexander v. Carrington Mortgage Services, LLC*, 23 F.4th 370 (4th Cir. 2022).

³⁰ *Glover v. Ocwen Loan Servicing, LLC*, Nos. 23-12578 & 23-12579, 127 F.4th 1278 (11th Cir. Feb. 4, 2025).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Industries & Professional Activities Subcommittee			Anstead	Bunnell
Commerce Committee				