

BILL SUMMARY
1st Session of the 54th Legislature

Bill No.:	SB 817
Version:	Engrossed
Request Number:	
Author:	Armes
Date:	3/26/2013
Impact:	No impact

Research Analysis

SB817 modifies the amount that a supervised lender may charge, in lieu of loan finance charges, on a loan with a principal balance of \$1,500 or less. Please see the table below for the current rates versus the proposed rates.

Current		Proposed	
Principal Loan Amount	Maximum Installment Account Handling Charge/Month	Principal Loan Amount	Maximum Installment Account Handling Charge/Month
0-\$29.99	Ratio of \$1 for each \$5 of principal	0-\$143.95	Ratio of \$1 for each \$5 of principal
\$29.99-\$35.00	\$3.00	\$143.95-\$167.50	\$14.40
\$35.00-\$70.00	\$3.50	\$167.50-\$336.00	\$16.80
\$70.00-\$100.00	\$4.00	\$336.00-\$480.00	\$19.20
\$100.00-\$150.00	\$4.50	\$480.00-\$720.00	\$21.60
\$150.00-\$300.00	\$5.00	\$720.00-\$980.00	\$24.00
N/A	N/A	\$980.00-\$1,240.00	\$26.40
N/A	N/A	\$1240.00-\$1,500.00	\$28.80

Current law also allows a supervised vendor to charge an acquisition charge up to 10% of the principal loan amount in addition to the monthly maximum installment account handling charge. The dollar amounts are also subject to change based upon fluctuations in the Consumer Price Index for Urban Wage Earner and Clerical Workers and will be adjusted annually beginning July 1, 2014. The measure also establishes criteria for the Administrator of the Commission on Consumer Credit to include in the rules for calculating changes in the dollar amounts.

Prepared By: Quyen Do

Fiscal Analysis

Engrossed SB 817 would have no direct fiscal impact.

Prepared By: Mark Nichols

Other Considerations

None.

