

## House Bill No. 1139

An act relating to consumer finance; amending s. 516.031, F.S.; authorizing a delinquency charge on consumer finance loans under certain circumstances; amending s. 520.07, F.S.; revising the disclosure requirements for retail installments contracts; providing an effective date.

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

Section 1. Paragraph (a) of subsection (3) of section 516.031, Florida Statutes, is amended to read:

516.031 Finance charge; maximum rates.—

(3) OTHER CHARGES.—

(a) In addition to the interest, delinquency, and insurance charges herein provided for, no further or other charges or amount whatsoever for any examination, service, commission, or other thing or otherwise shall be directly or indirectly charged, contracted for, or received as a condition to the grant of a loan, except:

1. An amount not to exceed \$10 to reimburse a portion of the costs for investigating the character and credit of the person applying for the loan;

2. An annual fee of \$25 on the anniversary date of each line-of-credit account;

3. Charges paid for brokerage fee on a loan or line of credit of more than \$10,000, title insurance, and the appraisal of real property offered as security when paid to a third party and supported by an actual expenditure;

4. Intangible personal property tax on the loan note or obligation when secured by a lien on real property;

5. The documentary excise tax and lawful fees, if any, actually and necessarily paid out by the licensee to any public officer for filing, recording, or releasing in any public office any instrument securing the loan, which fees may be collected when the loan is made or at any time thereafter;

6. The premium payable for any insurance in lieu of perfecting any security interest otherwise required by the licensee in connection with the loan, if the premium does not exceed the fees which would otherwise be payable, which premium may be collected when the loan is made or at any time thereafter;

7. Actual and reasonable attorney's fees and court costs as determined by the court in which suit is filed; ~~or~~

8. Actual and commercially reasonable expenses of repossession, storing, repairing and placing in condition for sale, and selling of any property pledged as security; or.

9. A delinquency charge not to exceed \$10 for each payment in default for a period of not less than 10 days, if the charge is agreed upon, in writing, between the parties before imposing the charge.

Any charges, including interest, in excess of the combined total of all charges authorized and permitted by this chapter constitute a violation of chapter 687 governing interest and usury, and the penalties of that chapter apply. In the event of a bona fide error, the licensee shall refund or credit the borrower with the amount of the overcharge immediately but within 20 days from the discovery of such error.

Section 2. Subsection (2) and subsections (3) of section 520.07, Florida Statutes, is amended to read:

520.07 Requirements and prohibitions as to retail installment contracts.—

(2) The contract shall contain the following:

(a) Amount financed.—The “amount financed,” using that term, and a brief description such as “the amount of credit provided to you or on your behalf.” The amount financed is calculated by:

1. Determining the cash price, and subtracting any down payment;
2. 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
3. Subtracting any prepaid finance charge.

(b) Finance charge.—The “finance charge,” using that term, and a brief description such as “the dollar amount the credit will cost you.”

(c) Total of payments.—The “total of payments,” using that term, and a descriptive explanation such as “the amount you will have paid when you have made all scheduled payments.”

(d) Total sale price.—In a credit sale, the “total sale price,” using that term, and a descriptive explanation, including the amount of any down payment, such as “the total price of your purchase on credit, including your down payment of \$.....” The total sale price is the sum of the cash price, the items described in subparagraph (a)2., and the finance charge disclosed under paragraph (b).

(e) The number of scheduled payments, the amount of each payment, and the date of the first payment.

Except for the requirement in subsection (3) that a separate written itemization of the amount financed be provided, a contract which complies with the federal Truth in Lending Act, 15 U.S.C. ss. 1601 et seq., or any accompanying regulations shall be deemed to comply with the provisions of this subsection.

tion and subsection (3). However, in any proceeding to enforce the provisions of this section, the burden of alleging and proving compliance with the federal Truth in Lending Act shall be on the party claiming compliance.

(3) The seller shall provide a separate written itemization of the amount financed, which itemization shall disclose the following:

- (a) The cash price;
- (b) The amount of down payment;
- (c) The difference between the amounts disclosed under paragraphs (a) and (b);
- (d) The amounts, if any, included for insurance and other benefits, specifying the types of coverages and benefits; and
- (e) Any taxes and official fees not included in the cash price; ~~and~~
- (f) ~~The number of scheduled payments, the amount of each payment, and the date of the first payment.~~

The itemization required by this subsection may appear on a disclosure statement separate from all other material, or it may be placed on the same document with the contract or other information so long as it is clearly and conspicuously segregated from everything else on the document.

Section 3. This act shall take effect July 1, 2000.

Approved by the Governor April 24, 2000.

Filed in Office Secretary of State April 24, 2000.