

CHAPTER 2013-124

Senate Bill No. 282

An act relating to consumer finance charges; amending s. 516.031, F.S.; increasing the proportionate loan amounts that are subject to descending maximum rates of interest; increasing the maximum delinquency charge that may be imposed for each loan payment in default for not less than a specified time; reenacting and amending s. 516.19, F.S., relating to penalties, for the purpose of incorporating the amendment made to s. 516.031, F.S., in a reference thereto; providing penalties; making technical and grammatical changes; providing applicability; providing an effective date.

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

Section 1. Subsection (1) and paragraph (a) of subsection (3) of section 516.031, Florida Statutes, are amended to read:

516.031 Finance charge; maximum rates.—

(1) INTEREST RATES.—~~A~~ Every licensee may lend any sum of money up to not exceeding \$25,000. A licensee may not take a security interest secured by land on any loan less than \$1,000. The licensee may charge, contract for, and receive thereon interest charges as provided and authorized by this section. The maximum interest rate shall be 30 percent per annum, computed on the first ~~\$3,000~~ \$2,000 of the principal amount ~~as computed from time to time~~; 24 percent per annum on that part of the principal amount ~~as computed from time to time~~ exceeding ~~\$3,000~~ \$2,000 and up to \$4,000 ~~not exceeding \$3,000~~; and 18 percent per annum on that part of the principal amount ~~as computed from time to time~~ exceeding \$4,000 ~~\$3,000~~ and up to not exceeding \$25,000. The original principal amount as used in this section ~~is shall be the same amount~~ as the amount financed as defined by the federal Truth in Lending Act and Regulation Z of the Board of Governors of the Federal Reserve System. In determining compliance with the statutory maximum interest and finance charges set forth herein, the computations used ~~utilized~~ shall be simple interest and not add-on interest or any other computations. ~~If~~ When two or more interest rates are ~~to be~~ applied to the principal amount of a loan, the licensee may charge, contract for, and receive interest at that single annual percentage rate which, if applied according to the actuarial method to each of the scheduled periodic balances of principal, would produce at maturity the same total amount of interest as would result from the application of the two or more rates otherwise permitted, based upon the assumption that all payments are made as agreed.

(3) OTHER CHARGES.—

(a) In addition to the interest, delinquency, and insurance charges ~~herein~~ provided in this section ~~for~~, ~~no~~ further or other charges or amount

whatsoever for any examination, service, commission, or other thing or otherwise ~~may not shall~~ be directly or indirectly charged, contracted for, or received as a condition to the grant of a loan, except:

1. An amount ~~of up to not to exceed~~ \$25 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 the 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 if when paid to a third party and supported by an actual expenditure;

4. Intangible personal property tax on the loan note or obligation if 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 ~~attorney's~~ fees and court costs as determined by the court in which suit is filed;

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

9. A delinquency charge of up to \$15 ~~not to exceed \$10~~ for each payment in default for at least ~~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 after ~~from~~ the discovery of such error.

Section 2. For the purpose of incorporating the amendment made by this act to section 516.031, Florida Statutes, in a reference thereto, section 516.19, Florida Statutes, is reenacted and amended to read:

516.19 Penalties.—Any person who violates any of the provisions of s. 516.02, s. 516.031, s. 516.05(3), s. 516.05(6), or s. 516.07(1)(e) commits ~~is guilty of~~ a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

Section 3. This act shall take effect July 1, 2013, and applies to all consumer finance loans entered into on or after that date.

Approved by the Governor June 7, 2013.

Filed in Office Secretary of State June 7, 2013.