

CHAPTER 99-164

Committee Substitute for Senate Bill No. 1264

An act relating to consumer finance; amending s. 516.03, F.S.; increasing an application fee; amending ss. 516.05, 520.997, F.S.; requiring licensees to notify the Department of Banking and Finance before relocating a business; requiring a licensee to report bankruptcy filings to the department; amending ss. 516.07, 520.995, F.S.; providing additional grounds for certain disciplinary actions; amending ss. 516.11, 520.996, F.S.; deleting a schedule of examination fees; providing criteria for paying travel expenses and per diem allowances to examiners; amending s. 615.12, F.S.; requiring that licensees make accounts and records available to the Department of Banking and Finance; amending ss. 520.02, 520.31, 520.61, F.S.; providing additional definitions; amending ss. 520.03, 520.32, 520.52, 520.63, F.S.; clarifying procedures for obtaining certain licenses and imposing certain license application and renewal fees; requiring department notification before relocating certain offices; amending s. 520.07, F.S.; providing for calculating the amount financed; requiring disclosure of additional information under certain installment contracts; requiring evidence of satisfaction of lien under certain installment contracts; amending s. 520.085, F.S.; authorizing certain additional charges under certain installment contracts; providing for a deferment of the due date of certain contracts; providing a fee; providing for the extension of insurance coverage; providing disclosure requirement; amending s. 520.34, F.S.; authorizing sellers under retail installment contracts to collect a processing fee under certain circumstances; amending s. 520.994, F.S.; authorizing rules to allow electronic submission of forms, documents, and fees; amending ss. 559.9232, 681.102, and 697.05, F.S.; conforming cross-references; providing effective dates.

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

Section 1. Section 516.03, Florida Statutes, is amended to read:

516.03 Application for license; fees; etc.—

(1) APPLICATION.—Application for a license to make loans under this chapter shall be ~~in writing, under oath, and~~ in the form prescribed by rule of the department, and shall contain the name, residence and business addresses of the applicant and, if the applicant is a copartnership or association, of every member thereof and, if a corporation, of each officer and director thereof, also the county and municipality with the street and number or approximate location where the business is to be conducted, and such further relevant information as the department may require. At the time of making such application the applicant shall pay to the department a biennial license fee of \$625 ~~\$550~~. Applications, except for applications to renew or reactivate a license, must also be accompanied by an investigation fee of

\$200. The department may adopt rules to allow electronic submission of any form, document, or fee required by this act.

(2) FEES.—Fees herein provided for shall be collected by the department and shall be turned into the State Treasury to the credit of the regulatory trust fund under the Division of Finance of the department. The department shall have full power to employ such examiners or clerks to assist the department as may from time to time be deemed necessary and fix their compensation. The department may adopt rules to allow electronic submission of any fee required by this section.

Section 2. Subsection (4) of section 516.05, Florida Statutes, is amended, and subsection (9) is added to that section, to read:

516.05 License.—

~~(4) Prior to relocating his or her place of business, a licensee must file with the department, in the manner prescribed by department rule, notice of the relocation. A licensee may not change the place of business maintained under a license without prior approval of the department. When a licensee wishes to change a place of business, the licensee shall give written notice thereof to the department, and, if the department finds that the proposed location is reasonably accessible to borrowers under existing loan contracts, it shall permit the change and shall amend the license accordingly. If the department does not so find, it shall enter an order denying removal of the business to the requested location.~~

(9) A licensee that is the subject of a voluntary or involuntary bankruptcy filing must report such filing to the department within 7 business days after the filing date.

Section 3. Subsection (1) of section 516.07, Florida Statutes, is amended to read:

516.07 Grounds for denial of license or for disciplinary action.—

(1) The following acts are violations of this chapter and constitute grounds for denial of an application for a license to make consumer finance loans and grounds for any of the disciplinary actions specified in subsection (2):

(a) A material misstatement of fact in an application for a license;

(b) Failure to maintain liquid assets of at least \$25,000 at all times for the operation of business at a licensed location or proposed location;

(c) Failure to demonstrate financial responsibility, experience, character, or general fitness, such as to command the confidence of the public and to warrant the belief that the business operated at the licensed or proposed location is lawful, honest, fair, efficient, and within the purposes of this chapter;

(d) The violation, either knowingly or without the exercise of due care, of any provision of this chapter, any rule or order adopted under this chapter, or any written agreement entered into with the department;

(e) Any act of fraud, misrepresentation, or deceit, regardless of reliance by or damage to a borrower, or any illegal activity, where such acts are in connection with a loan under this chapter. Such acts include, but are not limited to:

1. Willful imposition of illegal or excessive charges; or
2. Misrepresentation, circumvention, or concealment of any matter required to be stated or furnished to a borrower;

(f) The use of unreasonable collection practices or of false, deceptive, or misleading advertising, where such acts are in connection with the operation of a business to make consumer finance loans;

(g) Any violation of part III of chapter 817 or part II of chapter 559 or of any rule adopted under part II of chapter 559;

(h) Failure to maintain, preserve, and keep available for examination, all books, accounts, or other documents required by this chapter, by any rule or order adopted under this chapter, or by any agreement entered into with the department; or

(i) Refusal to permit inspection of books and records in an investigation or examination by the department or refusal to comply with a subpoena issued by the department;

(j) Pleading nolo contendere to, or having been convicted or found guilty of, a crime involving fraud, dishonest dealing, or any act of moral turpitude, regardless of whether adjudication is withheld;

(k) Paying money or anything else of value, directly or indirectly, to any person as compensation, inducement, or reward for referring loan applicants to a licensee;

(l) Allowing any person other than the licensee to use the licensee's business name, address, or telephone number in an advertisement;

(m) Accepting or advertising that the licensee accepts money on deposit or as consideration for the issuance or delivery of certificates of deposit, savings certificates, or similar instruments, except to the extent permitted under chapter 517; or

(n) Failure to pay any fee, charge, or fine imposed or assessed pursuant to this chapter or any rule adopted under this chapter.

Section 4. Effective January 1, 2001, subsections (1) and (2) of section 516.11, Florida Statutes, are amended to read:

516.11 Investigations and complaints.—

(1) The department shall, at intermittent periods, make such investigations and examinations of any licensee or other person as it deems necessary to determine compliance with this chapter. For such purposes, the department may examine the books, accounts, records, and other documents or

matters of any licensee or other person and compel the production of all relevant books, records, and other documents and materials relative to an examination or investigation. Examinations of a licensee may not be made more often than once a year unless the department has reason to believe the licensee is not complying with this chapter. ~~Each licensee shall pay to the department an examination fee based upon the amount of outstanding loans due the licensee at the time of the examination, as follows:~~

Amount Outstanding	Examination Fee
From \$0 to \$50,000	\$100
From \$50,000.01 to \$100,000	125
From \$100,000.01 to \$250,000	150
From \$250,000.01 to \$500,000	200
From \$500,000.01 and over	325

(2) The department shall conduct all examinations at a convenient location in this state unless the department determines that it is more effective or cost-efficient to perform an examination at the licensee's out-of-state location. For an examination performed at the licensee's out-of-state location, the licensee shall also pay the travel expense and per diem subsistence at the rate provided by law for up to 30 eight-hour days per year for each examiner who participates in such an examination. However, if the examination involves or reveals possible fraudulent conduct of the licensee, the licensee shall pay the travel expenses and per diem subsistence provided by law, without limitation, for each participating examiner allowance provided for state employees in s. 112.061. The licensee shall not be required to pay a per diem fee and expenses of an examination which shall consume more than 30 worker-days in any one year unless such examination or investigation is due to fraudulent practices of the licensee, in which case such licensee shall be required to pay the entire cost regardless of time consumed.

Section 5. Subsection (2) of section 516.12, Florida Statutes, is amended to read:

516.12 Records to be kept by licensee.—

(2) A licensee, operating two or more licensed places of business in this state, may maintain the books, accounts, and records of all such offices at any one of such offices, or at any other office maintained by such licensee, upon the filing of a written request with the department designating in the written request therein the office at which such records are maintained. However, the licensee shall make all books, accounts, and records available at a convenient location in this state upon request of the department.

Section 6. Present subsections (1) through (9) of section 520.02, Florida Statutes, are renumbered as subsections (2) through (10), respectively, present subsections (10) through (15) of that section are renumbered as subsections (12) through (17), respectively, and new subsections (1) and (11) are added to that section, to read:

520.02 Definitions.—In this act, unless the context or subject matter otherwise requires:

(1) “Branch” means any location, other than a licensee’s principal place of business, at which a licensee operates or conducts business under this act or which a licensee owns or controls for the purpose of conducting business under this act.

(11) “Principal place of business” means the physical location designated on the licensee’s application for licensure, unless otherwise designated as required by this chapter.

Section 7. Subsections (2), (3), and (4) of section 520.03, Florida Statutes, are amended to read:

520.03 Licenses.—

(2) An application for a license under this part must be submitted to the department ~~in on such form forms~~ as the department may prescribe by rule. If the department determines that an application should be granted, it shall issue the license for a period not to exceed 2 years. A nonrefundable application fee ~~of \$175 not exceeding \$200 shall be set by rule and~~ accompany an initial application for the principal place of business and each application for a branch location of a retail installment seller who is required to be licensed under this chapter.

(3) ~~The A renewal fee for a motor vehicle retail installment seller license shall be \$175 not exceeding \$200 shall be set by rule. The department shall establish by rule biennial licensure periods and procedures for renewal of licenses may also be established by the department by rule. A license that is not renewed by at the end of the biennium established by the department shall automatically expire and revert from active to inactive status. An Such inactive license may be reactivated within 6 months after becoming inactive the expiration date upon filing submission of a completed reactivation form, payment of the renewal application fee, and payment of a reactivation fee equal to the renewal application fee. A license that is not reactivated within 6 months after becoming inactive automatically expires may not be reactivated.~~

(4) Each license ~~shall must~~ specify the location for which it is issued and must be conspicuously displayed at that location. Prior to relocating a principal place of business or any branch location, the licensee must provide to the department notice of the relocation in a form prescribed by department rule. ~~If a licensee’s principal place of business or branch location changes, the licensee shall notify the department and the department shall endorse the change of location without charge.~~ A licensee may not transact business as a motor vehicle retail installment seller except under the name by which it is licensed. Licenses issued under this part are not transferable or assignable.

Section 8. Paragraph (a) of subsection (2) and subsections (3) and (8) of section 520.07, Florida Statutes, are 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.

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 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.

(8)(a) Upon written request from the buyer, the holder of a retail installment contract shall give or forward to the buyer a written statement of the dates and amounts of payments and the total amount unpaid under such contract. A buyer shall be given a written receipt for any payment when made in cash.

(b) When a motor vehicle retail installment contract is paid in full, the holder shall ensure that the contract or title reflects that the lien has been

satisfied or released and shall ensure that evidence of satisfaction is provided to the borrower or payor.

Section 9. Section 520.085, Florida Statutes, is amended to read:

520.085 Simple-interest contracts.—

(1) A retail installment contract under The Motor Vehicle Retail Sales Finance Act may provide that the rate of finance charge be calculated on a simple-interest basis subject to the following provisions:

~~(a)(1)~~ Instead of a finance charge computed on the amount financed as determined under s. 520.07(2), the seller may compute the finance charge at a simple-interest rate equivalent to the finance charge permitted by s. 520.08 on the unpaid balance as it changes from time to time or by any other method. For the purposes of this section, the class of motor vehicle shall be determined at the time of execution of the retail installment contract.

~~(b)(2)~~ The language in s. 520.08(2) which provides that the finance charge may be computed on the basis of a full month for any fractional-month period in excess of 10 days shall not be applicable to a simple-interest contract.

~~(c)(3)~~ The provisions of s. 520.09 which prescribe a refund credit upon prepayment in full before maturity of the unpaid balance of a retail installment contract shall not be applicable to a simple-interest contract. However, the lender may impose an acquisition charge, not to exceed \$75, for services performed on behalf of the borrower for processing the retail installment contract if the contract is paid in full within 6 months after the effective date of the contract.

~~(d)(4)~~ In the event the unpaid balance of a retail installment contract is extended, deferred, renewed, or restated, the holder may compute the refinance charge in accordance with the provisions of this section.

~~(e)(5)~~ Notwithstanding any provisions of The Motor Vehicle Retail Sales Finance Act or any other law to the contrary, the finance charge percentage rate included in a retail installment sale contract representing the sale of a motor vehicle primarily for business or commercial use may vary, but no higher than the limits set forth in s. 520.08, during the term of the contract pursuant to a formula or index set forth therein (such as a prime rate or commercial paper rate quoted by one or more banking institutions or the highest prime rate reported effective on the date in question by The Wall Street Journal) that is made readily available to and verifiable by the buyer and is beyond the control of the holder of the contract. For the purpose of disclosing the amount of finance charge and time balance and setting forth a payment schedule of equal successive monthly installments, such amounts may be calculated using the finance charge percentage rate applicable to the transaction as of the date of execution of the contract, notwithstanding the fact that such finance charge percentage may increase or decrease over the term of the contract according to a formula or index set forth in the contract.

(2) The holder of a simple interest contract, upon the request of the buyer, may defer the scheduled due date of all or any part of any installment

payment, and may collect a \$15 fee for such deferment. The holder may also require the buyer to extend any insurance coverage required by the simple interest contract, or require the buyer to reimburse the holder for any costs incurred by the holder for extending such coverage. With the buyer's approval, the holder may extend any optional insurance coverage purchased in connection with the simple interest contract and may charge the buyer for the costs of extending such optional insurance. A holder may not collect the \$15 deferment fee unless this deferment option was provided for in the simple interest contract. The holder shall disclose in the simple interest contract and any offer to exercise the deferment option that, in addition to the \$15 deferment fee and the costs of extending required or optional insurance, the buyer will also be required to pay additional finance charges as a result of exercising the deferment option.

Section 10. Present subsections (1) through (8) of section 520.31, Florida Statutes, are renumbered as subsections (2) through (9), respectively, present subsections (9) through (15) of that section are renumbered as subsections (11) through (17), respectively, and new subsections (1) and (10) are added to that section, to read:

520.31 Definitions.—Unless otherwise clearly indicated by the context, the following words when used in this act, for the purposes of this act, shall have the meanings respectively ascribed to them in this section:

(1) “Branch” means any location, other than a licensee’s principal place of business, at which a licensee operates or conducts business under this act or which a licensee owns or controls for the purpose of conducting business under this act.

(10) “Principal place of business” means the physical location designated on the licensee’s application for licensure, unless otherwise designated as required by this chapter.

Section 11. Subsections (2) and (3) of section 520.32, Florida Statutes, are amended to read:

520.32 Licenses.—

(2) An application for a license under this part must be submitted to the department ~~in~~ on such ~~form forms~~ as the department may prescribe by rule. If the department determines that an application should be granted, it shall issue the license for a period not to exceed 2 years. A nonrefundable application fee of \$175 ~~not exceeding \$200 shall be set by rule and accompany an initial application for the principal place of business and each application for a branch location of a retail installment seller.~~

(3) ~~The A renewal fee for a retail seller license shall be \$175 not exceeding \$200 shall be set by rule. Biennial licensure periods and procedures for renewal of licenses may also be established by the department by rule. A license that is not renewed at the end of the biennium established by the department shall automatically expire and revert from active to inactive status. An Such inactive license may be reactivated within 6 months after becoming inactive the expiration date upon filing submission of a completed~~

reactivation form, payment of the renewal application fee, and payment of a reactivation fee equal to the renewal application fee. A license that is not reactivated within 6 months after becoming inactive automatically expires ~~may not be reactivated.~~

Section 12. Subsection (14) is added to section 520.34, Florida Statutes, to read:

520.34 Retail installment contracts.—

(14) The seller under a retail installment contract may collect a \$10 processing fee for each retail installment contract that is approved and activated. Such processing fee shall not be considered interest or finance charges pursuant to chapter 687.

Section 13. Subsections (2) and (3) of section 520.52, Florida Statutes, are amended to read:

520.52 Licensees.—

(2) An application for a license under this part must be submitted to the department ~~in on such form forms~~ as the department may prescribe by rule. If the department determines that an application should be granted, it shall issue the license for a period not to exceed 2 years. A nonrefundable application fee ~~of \$175 not exceeding \$200 shall be set by rule and~~ accompany an initial application for the principal place of business and each branch location of a sales finance company.

(3) ~~The A renewal fee for a sales finance company license shall be \$175 not exceeding \$200 shall be set by rule.~~ Biennial licensure periods and procedures for renewal of licenses may also be established by the department by rule. A license that is not renewed at the end of the biennium established by the department shall ~~automatically expire and revert from active to inactive status.~~ An ~~Such~~ inactive license may be reactivated within 6 months after becoming inactive the expiration date upon filing submission of a completed reactivation form, payment of the renewal application fee, and payment of a reactivation fee equal to the renewal application fee. A license that is not reactivated within 6 months after becoming inactive automatically expires ~~may not be reactivated.~~

Section 14. Present subsections (2) through (17) of section 520.61, Florida Statutes, are renumbered as subsections (3) through (18), respectively, present subsections (18) and (19) of that section are renumbered as subsections (20) and (21), respectively, and new subsections (2) and (19) are added to that section, to read:

520.61 Definitions.—As used in this act:

(2) “Branch” means any location, other than a licensee’s principal place of business, at which a licensee operates or conducts business under this act or which a licensee owns or controls for the purpose of conducting business under this act.

(19) "Principal place of business" means the physical location designated on the licensee's application for licensure, unless otherwise designated as required by this chapter.

Section 15. Subsections (2) and (3) of section 520.63, Florida Statutes, are amended to read:

520.63 Licensees.—

(2) An application for a license under this part must be submitted to the department ~~in on such form forms~~ as the department may prescribe by rule. If the department determines that an application should be granted, it shall issue the license for a period not to exceed 2 years. A nonrefundable application fee of \$175 ~~not exceeding \$200 shall be set by rule and~~ accompany an initial application for the principal place of business and each application for a branch location of a home improvement finance seller.

(3) ~~The A renewal fee for a home improvement finance license shall be \$175 not exceeding \$200 shall be set by rule.~~ Biennial licensure periods and procedures for renewal of licenses may also be established by the department by rule. A license that is not renewed at the end of the biennium established by the department shall automatically ~~expire and revert from active to inactive status.~~ An Such inactive license may be reactivated within 6 months after becoming inactive the expiration date upon filing submission of a completed reactivation form, payment of the renewal application fee, and payment of a reactivation fee equal to the renewal application fee. A license that is not reactivated within 6 months after becoming inactive automatically expires may not be reactivated.

Section 16. Subsection (5) of section 520.994, Florida Statutes, 1998 Supplement, is amended to read:

520.994 Powers of department.—

(5) The department shall administer and enforce this chapter. The department has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this chapter. The department may adopt rules to allow electronic submission of any form, document, or fee required by this chapter.

Section 17. Subsections (1) and (3) of section 520.995, Florida Statutes, are amended to read:

520.995 Grounds for disciplinary action.—

(1) The following acts are violations of this chapter and constitute grounds for the disciplinary actions specified in subsection (2):

(a) Failure to comply with any provision of this chapter, any rule or order adopted pursuant to this chapter, or any written agreement entered into with the department;

(b) Fraud, misrepresentation, deceit, or gross negligence in any home improvement finance transaction or retail installment transaction, regardless of reliance by or damage to the buyer or owner;

(c) Fraudulent misrepresentation, circumvention, or concealment of any matter required to be stated or furnished to a retail buyer or owner pursuant to this chapter, regardless of reliance by or damage to the buyer or owner;

(d) Willful imposition of illegal or excessive charges in any retail installment transaction or home improvement finance transaction;

(e) False, deceptive, or misleading advertising by a seller or home improvement finance seller;

(f) Failure to maintain, preserve, and keep available for examination, all books, accounts, or other documents required by this chapter, by any rule or order adopted pursuant to this chapter, or by any agreement entered into with the department;

(g) Refusal to permit inspection of books and records in an investigation or examination by the department or refusal to comply with a subpoena issued by the department; or

(h) Criminal conduct in the course of a person's business as a seller, as a home improvement finance seller, or as a sales finance company; or

(i) Failure to timely pay any fee, charge, or fine imposed or assessed pursuant to this chapter or any rule adopted under this chapter.

(3) In addition to the acts specified in subsection (1), the following shall be grounds for denial of a license pursuant to this chapter, or for revocation, suspension, or restriction of a license previously granted:

(a) A material misstatement of fact in an initial or renewal application for a license;

(b) Having a license, registration, or the equivalent, to practice any profession or occupation denied, suspended, revoked, or otherwise acted against by a licensing authority in any jurisdiction for fraud, dishonest dealing, or any act of moral turpitude;

(c) Pleading *nolo contendere* to, or having been convicted or found guilty of, a crime involving fraud, dishonest dealing, or any act of moral turpitude, regardless of whether adjudication is withheld; or

(d) Being insolvent or having a demonstrated lack of honesty or financial responsibility.

Section 18. Effective January 1, 2001, subsection (1) of section 520.996, Florida Statutes, is amended to read:

520.996 Investigations and complaints.—

(1)(a) The department or its agent may, at intermittent periods, make such investigations and examinations of any licensee or other person as it deems necessary to determine compliance with this chapter. For such purposes, it may examine the books, accounts, records, and other documents or matters of any licensee or other person. It shall have the power to compel

the production of all relevant books, records, and other documents and materials relative to an examination or investigation. Such investigations and examinations shall not be made more often than once during any 12-month period unless the department has good and sufficient reason to believe the licensee is not complying with the provisions of this chapter. ~~The expenses of the department incurred in each such examination may be established by department rule but shall not exceed \$250 per 8-hour day for each examiner.~~ Such examination fee shall be calculated on an hourly basis and shall be rounded to the nearest hour.

(b) The department shall conduct all examinations at a convenient location in this state unless the department determines that it is more effective or cost-efficient to perform an examination at the licensee's out-of-state location. For an examination performed at the licensee's out-of-state location, the licensee shall also pay the travel expense and per diem subsistence at the rate provided by law for up to 30 eight-hour days per year for each examiner who participates in such an examination. However, if the examination involves or reveals possible fraudulent conduct of the licensee, the licensee shall pay the travel expenses and per diem subsistence provided by law, without limitation, for each participating examiner allowance provided for state employees in s. 112.061. The licensee shall not be required to pay a per diem fee and expenses of an examination which shall consume more than 30 worker-days in any one year unless such examination or investigation is due to fraudulent practices of the licensee, in which case such licensee shall be required to pay the entire cost regardless of time consumed.

Section 19. Subsection (5) is added to section 520.997, Florida Statutes, to read:

520.997 Books, accounts, and records.—

(5) A licensee that is the subject of a voluntary or involuntary bankruptcy filing must provide notice of such filing to the department within 7 days after the filing date.

Section 20. Subsection (2) of section 559.9232, Florida Statutes, is amended to read:

559.9232 Definitions; exclusion of rental-purchase agreements from certain regulations.—

(2) A rental-purchase agreement that complies with this act shall not be construed to be, nor be governed by, any of the following:

(a) A lease or agreement which constitutes a credit sale as defined in 12 C.F.R. s. 226.2(a)(16) and s. 1602(g) of the federal Truth in Lending Act, 15 U.S.C. ss. 1601 et seq.;

(b) A lease which constitutes a "consumer lease" as defined in 12 C.F.R. s. 213.2(a)(6);

(c) Any lease for agricultural, business, or commercial purposes;

(d) Any lease made to an organization;

(e) A lease or agreement which constitutes a “retail installment contract” or “retail installment transaction” as those terms are defined in s. 520.31(12) ~~s. 520.31(10)~~ and (13) ~~(11)~~; or

(f) A security interest as defined in s. 671.201(37).

Section 21. Subsection (19) of section 681.102, Florida Statutes, 1998 Supplement, is amended to read:

681.102 Definitions.—As used in this chapter, the term:

(19) “Purchase price” means the cash price as defined in s. 520.31(2) ~~s. 520.31(4)~~, inclusive of any allowance for a trade-in vehicle, but excludes debt from any other transaction. “Any allowance for a trade-in vehicle” means the net trade-in allowance as reflected in the purchase contract or lease agreement if acceptable to the consumer and manufacturer. If such amount is not acceptable to the consumer and manufacturer, then the trade-in allowance shall be an amount equal to 100 percent of the retail price of the trade-in vehicle as reflected in the NADA Official Used Car Guide (Southeastern Edition) or NADA Recreation Vehicle Appraisal Guide, whichever is applicable, in effect at the time of the trade-in. The manufacturer shall be responsible for providing the applicable NADA book.

Section 22. Subsection (4) of section 697.05, Florida Statutes, is amended to read:

697.05 Balloon mortgages; scope of law; definition; requirements as to contents; penalties for violations; exemptions.—

(4) This section does not apply to the following:

(a) Any mortgage in effect prior to January 1, 1960;

(b) Any first mortgage, excluding a mortgage in favor of a home improvement contractor defined in s. 520.61(12) ~~s. 520.61(11)~~ the execution of which is required solely by the terms of a home improvement contract which is governed by the provisions of ss. 520.60-520.992;

(c) Any mortgage created for a term of 5 years or more, excluding a mortgage in favor of a home improvement contractor defined in s. 520.61(12) ~~s. 520.61(11)~~ the execution of which is required solely by the terms of a home improvement contract which is governed by the provisions of ss. 520.60-520.992;

(d) Any mortgage, the periodic payments on which are to consist of interest payments only, with the entire original principal sum to be payable upon maturity;

(e) Any mortgage securing an extension of credit in excess of \$500,000;

(f) Any mortgage granted in a transaction covered by the federal Truth in Lending Act, 15 U.S.C. ss. 1601 et seq., in which each mortgagor thereun-

der is furnished a Truth in Lending Disclosure Statement that satisfies the requirements of the federal Truth in Lending Act; or

(g) Any mortgage granted by a purchaser to a seller pursuant to a written agreement to buy and sell real property which provides that the final payment of said mortgage debt will exceed the periodic payments thereon.

Section 23. Except as otherwise expressly provided in this act, this act shall take effect October 1, 1999.

Approved by the Governor May 13, 1999.

Filed in Office Secretary of State May 13, 1999.