

HB 176 -- Fees on Small Loans

Sponsor: Crawford

On small loans for 30 days or longer that are other than "open-end credit" as defined by the federal Consumer Credit Protection Act, a lender can currently charge a fee of up to 5% of the principal amount loaned not to exceed \$75. This bill allows a vendor to charge a fee of up to 10% of the principal amount loaned not to exceed \$100.

On small loans that are open-end credit contracts tied to a transaction account in a depository institution, the creditor can currently charge a credit advance fee of the lesser of \$25 or 5% of the credit advanced. The bill allows the creditor to charge the lesser of \$100 or 10% of the credit advanced.