Committee on Banking and Insurance

SB 282 — Consumer Finance Charges

by Senator Richter

The bill amends ch. 516, F.S., the Florida Consumer Finance Act (act), which governs consumer finance loans. The act defines “consumer finance loan” as a loan of money, credit, goods, or provisions of a line of credit, in an amount or to a value of $25,000 or less at an interest rate greater than 18 percent per annum. The allowable interest rates on consumer finance loans are tiered and limited based on the principal amount that falls within each tier of the loan. As the principal amount increases, the allowable interest rate decreases, as follows:

- On the first $2,000 of principal, up to 30 percent allowable interest;
- From $2,001 to $3,000 of principal, up to 24 percent allowable interest; and
- From $3,001 to $25,000 of principal, up to 18 percent allowable interest.

The bill increases by $1,000 the principal amount that would be subject to the maximum amount of interest that is allowed to be charged within each tier. The bill increases from $10 to $15, the maximum amount that can be charged to a borrower for making a payment that is in default for at least 10 days.

If approved by the Governor, these provisions take effect July 1, 2013.
Vote: Senate 31-3; House 109-6