Committee on Banking and Insurance

CS/CS/CS/SB 920 — Deferred Presentment Transactions

by Rules Committee; Appropriations Committee; Commerce and Tourism Committee; and Senators Bradley and Braynon

The bill authorizes deferred presentment installment transactions under Florida law. A deferred presentment installment transaction must be fully amortizing and repayable in consecutive installments, which must be as equal as mathematically practicable. The term of a deferred presentment installment transaction may not be less than 60 days or more than 90 days and the time between installment payments must be at least 13 days but not greater than 1 calendar month.

The maximum face amount of a check taken for a deferred presentment installment transaction may not exceed $1,000, exclusive of fees. The maximum fees that may be charged on a deferred presentment installment transaction are 8 percent of the outstanding transaction balance on a biweekly basis. Fees for a deferred presentment installment transaction are calculated using simple interest. Prepayment penalties are prohibited. The bill retains current law in prohibiting a provider from entering into a deferred presentment transaction with any person who has an outstanding deferred presentment transaction or whose previous transaction has been terminated for less than 24 hours. If a drawer timely informs the provider in writing or in person that they cannot redeem or pay in full in cash the amount due and owing, the provider must provide a grace period for payment of a scheduled installment.

If approved by the Governor, these provisions take effect July 1, 2019.
Vote: Senate 31-5; House 106-9