

HB 272 -- Payday Loans

Co-Sponsors: Muckler, Burnett, Jolly, Corcoran, Jones, Haywood, Curls, Walker, Walsh, Hubbard, Darrrough

This bill makes several changes to the restrictions on unsecured loans of less than \$500 with a term of between 14 and 31 days, otherwise known as "payday" loans. The bill prohibits lenders from charging more than \$15 for every \$100 of principal for the first 30 days of the loan. After 30 days, the lender may charge no more than 3% per month of the outstanding loan balance, whether made by the original lender or any entity associated with the lender. Current law allows the lender to collect up to 75% of the initial loan amount in interest or fees. The bill also repeals language that allows a lender to treat the renewal of a loan as a new loan.