HB 964 -- Payday Loans

Sponsor: Burnett

This bill limits the interest and fees that may be charged for unsecured loans less than $500. Current law allows lenders to charge interest of up to 75% for the term of the loan, with the term for these loans limited to between 14 and 31 days. The bill limits the interest and other charges to a total of $15 per $100 of principal for the first 31 days of the loan, and interest of not more than 3% per month thereafter, including any loan extensions by any affiliated lender. The bill repeals language that permits lenders to issue a new loan to pay off the original loan, which allows the lender to once again charge 75% interest.