

HB 248 -- MOTOR VEHICLE TIME SALES (Pearce)

This bill allows lenders of motor vehicle time sale loans to collect a fee in advance for permitting the debtor to defer monthly loan payments on loans of \$600 or more. The fee may be between \$25 to \$50 but not more than 10% of the payments deferred. The debtor must agree to this fee in writing. If an extension is made, the debtor must pay a monthly payment before any further extensions are permitted. The original loan terms must remain the same.

This provision does not apply to pre-computed loans.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.