

HB 423 -- Payday Loans

Sponsor: Whorton

This bill changes the laws regarding unsecured loans of \$500 or less. The bill:

- (1) Limits the interest and other fees that may be charged on the loans to \$15 for the first \$100 of principal for the first 30 days of the loan and not more than 3% per month thereafter, which is an annual percentage rate of approximately 36%;
- (2) Prohibits repeated renewals of loans to circumvent interest rate restrictions;
- (3) Grants jurisdiction to the Attorney General to issue cease and desist orders against violators;
- (4) Allows the Attorney General to sue for injunctions, rescission of loan contracts and restitution, and civil penalties for violations; and
- (5) Specifies that the limitations apply to all lenders, whether or not they are properly licensed pursuant to Chapter 408, RSMo.