

HB 2850 -- FINANCIAL TRANSACTIONS

SPONSOR: Davidson

This bill revises statutes governing financial transactions that involve open-end credit. Currently, parties to a loan may agree to a flat fee of \$10 on a loan rather than a specific interest rate. The bill exempts open-end credit that charges fees instead of interest from this provision. Currently, businesses arranging credit for personal household purposes of \$1,000 or less must not impose any fees or charges except those provided for in statute. The bill revises this provision to say that no such business can impose a fee or charge prohibited by statute. The bill also exempts open-end credit not tied to transaction accounts at a depository or to a credit card account from the prohibition on further fees for small loans.