

# SENATE MOTION

**MR. PRESIDENT:**

**I move** that Engrossed House Bill 1185 be amended to read as follows:

- 1           Page 29, between lines 1 and 2, begin a new paragraph and insert:  
2           "SECTION 25. IC 24-4.5-2-201 IS AMENDED TO READ AS  
3           FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 201. Credit Service  
4           Charge for Consumer Credit Sales other than Revolving Charge  
5           Accounts-(1) With respect to a consumer credit sale, other than a sale  
6           pursuant to a revolving charge account, a seller may contract for and  
7           receive a credit service charge not exceeding that permitted by this  
8           section.  
9           (2) The credit service charge, calculated according to the actuarial  
10          method, may not exceed the equivalent of the greater of either of the  
11          following:  
12          (a) the total of:  
13              (i) thirty-six percent (36%) per year on that part of the  
14              unpaid balances of the amount financed which is three  
15              hundred dollars (\$300) or less;  
16              (ii) twenty-one percent (21%) per year on that part of the  
17              unpaid balances of the amount financed which is more than  
18              three hundred dollars (\$300) but does not exceed one  
19              thousand dollars (\$1,000); and  
20              (iii) fifteen percent (15%) per year on that part of the unpaid  
21              balances of the amount financed which is more than one  
22              thousand dollars (\$1,000); or  
23          (b) twenty-one percent (21%) per year on the unpaid balances of  
24          the amount financed.  
25          (3) This section does not limit or restrict the manner of contracting  
26          for the credit service charge, whether by way of add-on, discount, or  
27          otherwise, so long as the rate of the credit service charge does not  
28          exceed that permitted by this section. If the sale is precomputed:  
29              (a) the credit service charge may be calculated on the  
30              assumption that all scheduled payments will be made when due;  
31              and  
32              (b) the effect of prepayment is governed by the provisions on  
33              rebate upon prepayment ( IC 24-4.5-2-210).

1 (4) For the purposes of this section, the term of a sale agreement  
 2 commences with the date the credit is granted or, if goods are delivered  
 3 or services performed ~~ten (10) days~~ or more **than thirty (30) days** after  
 4 that date, with the date of commencement of delivery or performance  
 5 **except as set forth below:**

6 (a) **Delays attributable to the customer. Where the customer**  
 7 **requests delivery after the thirty (30) day period or where**  
 8 **delivery occurs after the thirty (30) day period for a reason**  
 9 **attributable to the customer (including but not limited to**  
 10 **failure to close on a residence or failure to obtain lease**  
 11 **approval), the term of the sale agreement shall commence**  
 12 **with the date credit is granted.**

13 (b) **Partial Deliveries. Where any portion of the order has**  
 14 **been delivered within the thirty (30) day period, the term of**  
 15 **the sale agreement shall commence with the date credit is**  
 16 **granted.**

17 Differences in the lengths of months are disregarded and a day may be  
 18 counted as one-thirtieth (1/30) of a month. Subject to classifications  
 19 and differentiations the seller may reasonably establish, a part of a  
 20 month in excess of fifteen (15) days may be treated as a full month if  
 21 periods of fifteen (15) days or less are disregarded and that procedure  
 22 is not consistently used to obtain a greater yield than would otherwise  
 23 be permitted.

24 (5) Subject to classifications and differentiations the seller may  
 25 reasonably establish, he may make the same credit service charge on  
 26 all amounts financed within a specified range. A credit service charge  
 27 so made does not violate subsection (2) if:

- 28 (a) when applied to the median amount within each range, it  
 29 does not exceed the maximum permitted by subsection (2); and  
 30 (b) when applied to the lowest amount within each range, it does  
 31 not produce a rate of credit service charge exceeding the rate  
 32 calculated according to paragraph (a) by more than eight percent  
 33 (8%) of the rate calculated according to paragraph (a).

34 (6) Notwithstanding subsection (2), the seller may contract for and  
 35 receive a minimum credit service charge of not more than thirty dollars  
 36 (\$30).

37 (7) The amounts of three hundred dollars (\$300) and one thousand  
 38 dollars (\$1,000) in subsection (2) are subject to change pursuant to the  
 39 provisions on adjustment of dollar amounts ( IC 24-4.5-1-106).

40 (8) The amount of thirty dollars (\$30) in subsection (6) is subject  
 41 to change under the provisions on adjustment of dollar amounts (IC  
 42 24-4.5-1-106). However, notwithstanding IC 24-4.5-1-106(1), the  
 43 Reference Base Index to be used under this subsection is the Index for  
 44 October 1992."

45 Page 57, line 19, before "bank" insert in roman "state".

46 Page 68, line 33, after "under" strike "IC".

47 Renumber all SECTIONS consecutively.

(Reference is to EHB 1185 as printed February 13, 1998.)

---

Senator PAUL