

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7778

BILL NUMBER: HB 1715

DATE PREPARED: Feb 19, 1999

BILL AMENDED: Feb 18, 1999

SUBJECT: Various consumer credit matters.

FISCAL ANALYST: Susan Preble

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: (Amended) This bill has the following provisions:

- (1) Specifies that the maximum rate of interest may not be exceeded upon prepayment for the period a credit sale or loan was in effect for a simple interest transaction that includes prepaid credit service charges or finance charges;
- (2) Requires a creditor to provide accurate payoff information to the debtor;
- (3) Specifies that a person may not regularly engage in the business of making consumer loans unless the person is a supervised financial institution or is licensed by the Department of Financial Institutions;
- (4) Specifies that the three month window to operate without an approved license to make consumer loans applies only to lenders taking assignment of mortgages;
- (5) Adds a small loan chapter to the Uniform Consumer Credit Code;
- (6) Limits the accrual of additional pawnbroker fees; and
- (7) Makes certain other changes and makes conforming amendments.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: