

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

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 8036**  
**BILL NUMBER: SB 545**

**DATE PREPARED:** Mar 30, 1999  
**BILL AMENDED:** Mar 29, 1999

**SUBJECT:** Consumer loan origination fees.

**FISCAL ANALYST:** Jim Mundt  
**PHONE NUMBER:** 232-9858

**FUNDS AFFECTED:**     **GENERAL**  
                          **DEDICATED**  
                          **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** (Amended) This bill applies the loan origination fee of not more than two percent of the loan amount or line of credit to revolving and nonrevolving consumer loan accounts. (Current law applies the loan origination fee to a consumer loan that is primarily secured by an interest in land.)

It provides that unsecured consumer loans are limited to an origination fee of 2% of the part of the loan that does not exceed \$2,000. It allows a creditor that refinances a consumer loan during the first three months of the loan to charge an origination fee on the refinancing only on any new money advanced. It establishes a procedure that specifies when a creditor shall credit a payment to a consumer's account. It also requires specific disclosures by a lender who solicits loans using a negotiable check, facsimile, or other negotiable instrument.

**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:**