
HOUSE BILL No. 1258

DIGEST OF INTRODUCED BILL

Citations Affected: IC 26-2-7-6.

Synopsis: Treble damages collected by payday lenders. Exempts transactions involving payday lenders from the requirement that the holder of a dishonored check be awarded: (1) treble damages for a dishonored check with a face amount of \$250 or less; and (2) the face amount of the check plus \$500 for a dishonored check with a face amount of more than \$250.

Effective: July 1, 2000.

Dvorak

January 10, 2000, read first time and referred to Committee on Judiciary.

C
O
P
Y



Second Regular Session 111th General Assembly (2000)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

C
O
P
Y

HOUSE BILL No. 1258



A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 26-2-7-6 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) **This section does not apply**
3 **to a loan transaction in which consideration is given for an**
4 **agreement, either express or implied, to accept and hold a check**
5 **for a period of time before deposit or presentment in accordance**
6 **with the agreement between the maker and the lender, if the loan**
7 **has a principal loan amount of five hundred dollars (\$500) or less**
8 **and has a term that is thirty (30) days or less.**

9 (b) This section does not apply to a person who has allowed a check
10 to be dishonored because of lack of funds if both of the following
11 apply:

12 (1) The person reasonably believed that there were sufficient
13 funds in the account to cover the check.

14 (2) The insufficiency of funds is caused by the dishonoring of a
15 third party check that had been deposited into the person's
16 account.

17 ~~(b)~~ (c) If a person liable under this chapter does not pay to the



1 holder the full amount of the check not more than thirty (30) days after
2 the certified mailing of written notice that the check has not been paid,
3 the person is liable for, and the court shall award judgment for, the
4 following, whichever applies:

- 5 (1) If the face amount of the check is not greater than two hundred
6 fifty dollars (\$250), three (3) times the face amount of the check.
7 (2) If the face amount of the check is greater than two hundred
8 fifty dollars (\$250), the face amount of the check plus five
9 hundred dollars (\$500).

C
o
p
y

