

SENATE BILL 1525
By Rochelle

AN ACT to amend Tennessee Code Annotated, Title 45, Chapter 5, Part 1 and Title 45, Chapter 5, Part 4, relative to industrial loan and thrift companies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 45, Chapter 5, Part 4, is amended by adding the following new section:

(a) When the loan is made, there shall be delivered to the borrower, or, if there are two (2) or more borrowers, to one (1) of them, a written statement or copy of the loan contract showing in clear and distinct terms:

- (1) The name and address of the lender and of one (1) of the borrowers;
- (2) The date of the loan contract;
- (3) The schedule of installments or description thereof;
- (4) The type of any instrument securing the loan;
- (5) The principal amount of the loan excluding interest;
- (6) The rate or amount of interest as the contract may provide;
- (7) That the borrower may prepay the loan in whole or in part at any time,

and in case interest has been added to the principal of the loan; and

(8) That the interest is subject to statutory refund requirements if the loan is prepaid in full.

(b) A receipt shall be given for the amount of each payment made in currency. Any note paid in full shall be so marked and returned, and any security interest which no longer secures a loan shall be restored, canceled or released.

SECTION 2. Tennessee Code Annotated, Title 45, Chapter 5, Part 1, is amended by adding the following new section:

A person, firm, or corporation may not print, publish, distribute or cause the same to be done in any manner whatsoever, any written or printed statement with regard to interest or charges, terms or conditions for the lending of money which is false or calculated to deceive.

SECTION 3. Tennessee Code Annotated, Title 45, Chapter 5, Part 4, is amended by adding the following new section:

The commissioner may prepare schedules that may be used by an authorized lender under this chapter for the repayment of a loan made under this chapter by weekly, biweekly, semimonthly, or monthly installments.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.