

SENATE BILL 489

By Burchett

AN ACT to amend Tennessee Code Annotated, Title 45,  
Chapter 15, relative to title pledge loans.

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

SECTION 1. Tennessee Code Annotated, Section 45-15-111(a), is amended by deleting the subsection in its entirety and by substituting instead the following language:

(a)

(1) A title pledge lender is authorized to contract for and receive a maximum effective rate of interest not to exceed two percent (2%) per month.

(2) In addition to such maximum effective rate of interest, a title pledge lender is authorized to charge and be reimbursed for necessary expenses incurred in securing and collecting the title pledge, not to exceed four percent (4%) of the gross amount of the title pledge. Such charges when made and collected shall not be deemed to be interest for any purpose of law.

SECTION 2. This act shall take effect July 1, 2009, the public welfare requiring it.