

SENATE BILL 224

By Massey

AN ACT to amend Tennessee Code Annotated, Title 47,  
Chapter 22, relative to credit cards.

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

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 22, is amended by adding the following new part thereto:

47-22-301.

As used in this part:

(1) "Authorized user" means any person granted express, implied or apparent authority to use a cardholder's credit card or credit card account;

(2) "Cardholder" means the named account member who applies for or accepts the credit card account;

(3) "Charges" mean purchases, cash advances, annual membership fees, delinquent payment fees, insufficient fund fees, over limit fees or other amounts incurred through use of the credit card;

(4) "Credit card" means any instrument or device, whether known as a credit card, charge card, credit plate, courtesy card or identification card or by any other name, that has an account number assigned by the issuer and that is issued with or without a fee by an issuer for the use of the cardholder in obtaining money, goods, services or anything else of value, either on credit or in possession or in consideration of an undertaking or guaranty by the issuer of the payment of a check drawn by the cardholder on a promise to pay in part or in full at a future time, whether all or any part of the indebtedness that is represented by the promise to make deferred payment is secured or unsecured;

(5) "Credit card account" means a line of credit offered by an issuer to a cardholder for the use of a credit card;

(6) "Credit card agreement" means the terms and conditions governing the use of the credit card account;

(7) "Creditor" means the person, business, financial institution or commercial enterprise that owns the credit card account;

(8) "Financial institution" means any of the following:

(A) A banking institution that is authorized to issue credit cards pursuant to federal or state law;

(B) A banking subsidiary owned by a bank holding company as defined in 12 U.S.C. § 1841, or by a savings and loan holding company as defined in 12 U.S.C. § 1467a(A)(1)(D); or

(C) Any other federally regulated banking institution;

(9) "Interest" means any payment to compensate a creditor or prospective creditor for making an extension of credit or making available a line of credit or for a borrower's default or reach of a condition on which credit was extended; and

(10) "Issuer" means a financial institution or an authorized agent of a financial institution that issues a credit card.

47-22-302.

A cardholder's acceptance of the terms and conditions of a credit card account may be established as binding and enforceable by either of the following:

(1) The cardholder's written or electronic signature; or

(2) Following the expiration of time prescribed in 12 C.F.R. § 202.12(b), without the cardholder's written or electronic signature, if both of the following apply:

(A) The credit card agreement provides that any use of the credit card account constitutes acceptance of the terms of the credit card agreement; and

(B) The cardholder or authorized user uses the credit card account.

47-22-303.

(a) A creditor may establish a presumption of the amount of the debt that is owed on a credit card account through a copy of the issuer's final billing statement or by the data maintained by the issuer in the regular course of business and that represents the amount owed.

(b) The cardholder may challenge the presumption with any credible evidence as allowed by law.

47-22-304.

A creditor may establish the contracted interest rate for a credit card account through either of the following:

(1) Terms and conditions that contain a stated or variable interest rate; or

(2) A billing statement generated by the issuer that contains a stated or variable interest rate.

SECTION 2. This act shall take effect July 1, 2013, the public welfare requiring it.