

Amendment No. 1 to HB1905

Hill T
Signature of Sponsor

AMEND Senate Bill No. 2866

House Bill No. 1905*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 45-5-403(b), is amended by adding the following as a new subdivision:

(7)

(A) In addition to any other charges permitted for the making of an installment loan under this part, a registrant may collect a closing fee at the time of the making of the loan for the purpose of preparing and executing the documents for, and verifying compliance with, the federal Truth in Lending Act (15 U.S.C. § 1601 et seq.), this section, and all other applicable statutes. The closing fee may be for an amount up to four percent (4%) of the amount financed, but must not be more than fifty dollars (\$50.00). The closing fee may be paid from the proceeds of the amount borrowed or added to the amount financed.

(B) If a loan, upon which a closing fee has been charged, is prepaid in full by any means within ninety (90) days of the date of the loan, then the registrant must refund or credit the borrower with a pro rata portion of the closing fee. However, the registrant may retain up to twenty-five dollars (\$25.00) of the closing fee regardless of when the loan is prepaid.

SECTION 2. This act shall take effect July 1, 2020, the public welfare requiring it, and shall apply to contracts or agreements entered into, amended, or renewed on or after that date.