

HOUSE BILL 2637

By Cooper B

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

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

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

(a) A title pledge lender is authorized to charge, contract for, and receive an administrative fee not to exceed twenty percent (20%) of the amount of the loan at the time the loan is executed to defray the ordinary costs of operating a title pledge office, including, but not limited to, investigating the title, appraising the titled personal property, insuring the personal property when in the physical possession of the title pledge lender, documenting and closing the title or property pledge transaction, making required reports to local law enforcement officials, for all other services provided by the title pledge lender, advertising, for losses on title pledge or property pledge transactions, salaries, and for all other expenses incurred by the title pledge lender except those in subsection (b). The fee shall not be deemed interest for any purpose of law. No additional fees may be collected for any renewal of the original agreement.

SECTION 2. This act shall take effect July 1, 2010, the public welfare requiring it and shall apply to any new title pledge agreements entered into on or after the effective date of this act.