

SENATE BILL NO. 376

By Committee on Financial Institutions and Insurance

1-17

9 AN ACT relating to the consumer credit code; concerning alternative
10 charges on certain consumer loans.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. With respect to any consumer loan having an amount fi-
14 nanced of at least \$100, but not more than \$1,000, a licensee may charge
15 in lieu of the finance charges specified in K.S.A. 16a-2-401, and amend-
16 ments thereto, both of the following:

17 (a) An acquisition charge for making the loan in an amount not in
18 excess of 10% of the amount financed; and

19 (b) an installment account handling charge in an amount no greater
20 than the following:

21 (i) On any loan of an amount of \$100, but not more than \$300, a
22 charge of \$12 per month;

23 (ii) on any loan of an amount in excess of \$300, but not more than
24 \$400, a charge of \$14 per month;

25 (iii) on any loan of an amount in excess of \$400, but not more than
26 \$500, a charge of \$16 per month;

27 (iv) on any loan of an amount in excess of \$500, but not more than
28 \$800, a charge of \$17 per month;

29 (v) on any loan of an amount in excess of \$800, but not more than
30 \$1,000, a charge of \$20 per month.

31 Sec. 2. The maximum term of any loan made under this section shall
32 be 12 months.

33 Sec. 3. Upon the prepayment in full of any loan under this section,
34 the installment account handling charge shall be refunded according to
35 the actuarial method. The acquisition charge shall not be subject to
36 refund.

37 Sec. 4. No insurance charge nor any other charge of any nature what-
38 soever is permitted for loans made pursuant to this section, except for
39 delinquency charges, bad check charges and assessed court costs.

40 Sec. 5. A licensee and related interest shall not have more than one
41 loan made under this section outstanding to the same borrower at any
42 one time.

43 Sec. 6. This section shall be supplemental to and a part of the uni-

1 form consumer credit code.

2 Sec. 7. This act shall take effect and be in force from and after its
3 publication in the statute book.