

Committee on Banking and Insurance

CS/HB 1347 — Consumer Finance Loans

by Commerce Committee and Rep. Brackett (CS/SB 1436 by Appropriations Committee on Agriculture, Environment, and General Government and Senator Burton)

The bill revises laws governing consumer finance loans, which are loans of \$25,000 or less for which a lender charges an interest rate greater than 18 percent per annum. The Florida Consumer Finance Act in ch. 516, F.S., provides an exemption from Florida’s prohibition against usurious contracts, under which any interest rate greater than 18 percent per annum is prohibited.

The bill increases the maximum limits of consumer finance loan interest rates to no more than 36 percent per annum, computed on the first \$10,000 of the principal amount; 30 percent per annum on that part of the principal amount exceeding \$10,000 and up to \$20,000; and 24 percent per annum on that part of the principal amount exceeding \$20,000 and up to \$25,000.

The bill increases the number of days a payment must be in default before a delinquency charge may be imposed from 10 days in default to 12 days in default.

The bill revises the licensure process to allow a single licensure application for the principle place of business and all branches. The bill defines a “branch” as any location, other than a licensee’s principal place of business, at which a licensee operates or conducts consumer finance loan business or controls for the purpose of conducting consumer finance loan business.

The bill requires consumer finance lenders, in any county designated in a Federal Emergency Management Agency (FEMA) major disaster declaration, to suspend for 90 days after the initial date of such declaration, the following:

- The application of delinquency charges for payments in default for at least 12 days;
- Repossessions of collateral pledged to a consumer finance loan; and
- The filing of civil actions for the collection of amounts owed under a consumer finance loan.

The bill also requires consumer finance lenders to:

- Provide notice to the Office of Financial Regulation (OFR) of any assistance program offered by the lender to borrowers impacted by a disaster subject to a FEMA major disaster declaration;
- Offer a free credit education program or seminar to borrowers at the time a loan is made; and
- Annually report to the OFR information detailing loans issued by the lender during the previous calendar year.

If approved by the Governor, or allowed to become law without the Governor’s signature, these provisions take effect July 1, 2024.

Vote: Senate 21-18; House 104-10

