

HB 1236 -- Payday Loans

Sponsor: Walker

This bill revises the laws governing unsecured loans of \$500 or less. The bill:

- (1) Limits the interest and other fees that may be charged on the loans to \$15 for the first \$100 of principal for the first 30 days of the loan, and thereafter not more than one-and-a-half times the maximum rate established for credit cards, pursuant to Section 408.145, RSMo, which is an annual percentage rate of approximately 36%;
- (2) Prohibits repeated renewals of loans to circumvent interest rate restrictions;
- (3) Grants jurisdiction to the Attorney General to issue cease and desist orders against violators;
- (4) Allows the Attorney General to sue for injunctions, rescission of loan contracts and restitution and civil penalties for violations; and
- (5) Clarifies that the limitations apply to all lenders, whether or not they are properly licensed pursuant to Chapter 408.