

HB 248 -- Motor Vehicle Time Sales

Sponsor: Pearce

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Financial Institutions by a vote of 17 to 0.

This bill allows lenders of motor vehicle time sale loans to collect a fee in advance for permitting the debtor to defer monthly loan payments on loans of \$600 or more. The fee may be between \$25 to \$50 but not more than 10% of the payments deferred. The debtor must agree to this fee in writing. If an extension is made, the debtor must pay a monthly payment before any further extensions are permitted. The original loan terms must remain the same.

This provision does not apply to pre-computed loans.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill will allow auto dealers to provide the same type of motor vehicle loan that banks already offer. This type of loan was mistakenly left out of a bill passed last year.

Testifying for the bill were Representative Pearce; Missouri Bankers Association; and Missouri Credit Union Association.

OPPOSERS: There was no opposition voiced to the committee.

Marc Webb, Legislative Analyst