

HB 2130 -- OPEN-END CREDIT PLANS

SPONSOR: Dugger

This bill changes the laws regarding open-end credit plans. In its main provisions, the bill:

- (1) Defines "open-end credit" to mean credit extended by creditors, other than banks, trust companies, credit unions, savings banks, savings and loan companies, and payday loan lenders, to borrowers where it is assumed there will be repeated transactions, finance charges on outstanding unpaid balances, and maximum available credit limits;
- (2) Specifies the creditor may contract for and receive simple interest and fees as agreed to by the parties and allowed by law. Violations of these provisions is a class A misdemeanor;
- (4) Requires lenders to consider the financial ability of the borrower to reasonably make payments and requires records retention for at least two years;
- (5) Subjects lenders to the credit transaction default provisions of Sections 408.551 through 408.562, RSMo; and
- (6) Allows lenders to collect an annual charge; transaction charge; minimum charge for each scheduled billing period; late or delinquency charges as provided; returned payment charge; recording fee charge; reasonable towing costs and expenses of retaking, holding, preparing for sale, and selling any personal property in accordance with Section 400.9; any expense, tax, or charge paid to a government agency; and reasonable attorney fees, as permitted by Section 408.092.