

HCS HB 2130 -- OPEN-END CREDIT PLANS (Dugger)

COMMITTEE OF ORIGIN: Committee on Financial Institutions

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

- (1) Specifies that "open-end credit" means credit extended by a lender other than a bank, trust company, credit union, savings bank, and savings and loan company to a borrower where it is assumed there will be repeated transactions, finance charges on outstanding unpaid balances, and a maximum available credit limit;
- (2) Specifies that the creditor may contract for and receive simple interest and fees as agreed to by the parties and allowed by law;
- (3) Requires a lender to consider the financial ability of the borrower to reasonably make payments and requires all records to be retained for at least two years;
- (4) Subjects lenders to the credit transaction default provisions of Sections 408.551 through 408.562, RSMo; and
- (5) Allows a lender to collect an annual fee not to exceed \$50; a credit advance fee of up to the lesser of \$75 or 10% of the credit advanced; a minimum charge for each scheduled billing period; a late payment charge if provided in the contract; a returned payment charge of up to \$25 if provided in the agreement; a filing, recording, or releasing fee charge; reasonable towing costs and expenses of retaking, holding, preparing for sale, and selling any personal property in accordance with Section 400.9; and attorney fees as allowed under these provisions.