

SECOND REGULAR SESSION

SENATE BILL NO. 884

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR DePASCO.

Pre-filed January 8, 2002, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

3555L.011

AN ACT

To amend chapter 408, RSMo, by adding thereto one new section relating to restrictions for payday loans.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 408, RSMo, is amended by adding thereto one new section, to be known as section 408.505, to read as follows:

408.505. 1. Notwithstanding any other provisions of law that allow specification of a marketplace rate of interest, no state employee or official, including a judge of any court of this state, shall enforce the provisions of any contract against any natural person when such contract provides for payment of money in the principal amount of five thousand dollars or less, and the total annual percentage rate charged in connection with such payment, equaling the total cost of credit to the debtor expressed as an annual percentage of the amount of credit granted calculated over the loan period, exceeds five times the market rate calculated pursuant to section 408.030.

2. This section shall apply to any creditor involved in any way in a contract for payment of money as described in subsection 1 of this section, and shall also apply to any person or entity who negotiates, arranges, aids, or assists a borrower or lender in procuring a loan as described in subsection 1 of this section. This section shall also apply to any creditor who, for a fee, service charge, or other consideration, accepts a check or other negotiable instrument that is drawn on a

bank, dated on the date it is written, and payable on demand at the maturity of the deferred deposit loan and who agrees to hold the check or instrument for a period of days prior to deposit or presentment. This section shall also apply to any creditor who, for a fee, service charge, or other consideration, accepts a check or other negotiable instrument that is dated on the date it was written or dated subsequent to the date it was written and that is drawn on a bank and payable on demand at the maturity of the deferred deposit loan, and who agrees to hold the check or instrument for deposit until the date written or to be written on the check.

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