



**COMMISSIONER OF FINANCIAL
REGULATION**

ADVISORY NOTICE

LEGISLATIVE ALERT



June 7, 2017

**SENATE BILL 527/HOUSE BILL 1270:
UNSECURED OPEN END CREDIT PLANS - FEES AND CHARGES
EFFECTIVE JULY 1, 2017**

Senate Bill 527/House Bill 1270 limit fees and charges for unsecured open end credit plans offered by specified credit grantors, when combined with any interest charged, to an effective rate of 33% per annum simple interest. A revolving "open end" credit plan is a plan in which the credit grantor permits the borrower to make multiple purchases or loans over time. The amounts are charged to the borrower's account, and the borrower is allowed to pay the amounts charged over time. The credit grantor, in turn, may charge interest and/or finance charges on the amounts due under the plan. The Department intends to implement these provisions beginning the bill's effective date of July 1, 2017 with regard to new revolving credit plans.