

(3) [Late or delinquency charges shall] CHARGES PERMITTED BY THIS SECTION MAY not be considered interest or finance charges under the plan.

12-1008.

(a) If the agreement governing a loan permits, a credit grantor may:

(1) For a nonconsumer borrower, charge a higher periodic percentage rate or rates of interest on the amount of outstanding unpaid payments or portions of payments under the loan which are in default; and

(2) For any borrower, impose [a]

(I) A late or delinquency charge [upon] ON payment or portions of payments; AND

(II) IF PAYMENT IS MADE WITH A CHECK THAT IS DISHONORED ON THE SECOND PRESENTMENT, A CHARGE NOT TO EXCEED \$10.

(b) In the case of a loan to a consumer borrower, no late or delinquency charge may be charged unless the agreement, note, or other evidence of the loan permits. No more than 1 late or delinquency charge may be imposed for any single payment or portion of payment, regardless of the period during which it remains in default.

(c) For the purposes of subsection (b) of this section, all payments by the borrower shall be applied to satisfaction of scheduled payments in the order in which they become due.

(D) CHARGES PERMITTED UNDER THIS SECTION MAY NOT BE CONSIDERED INTEREST OR FINANCE CHARGES UNDER THE AGREEMENT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1986.

Approved May 13, 1986.

-----

CHAPTER 452

(House Bill 451)

AN ACT concerning

Fur Dealer's License - Exemption

FOR the purpose of exempting certain persons who sell or possess to sell certain furs or pelts from obtaining a fur dealer's