

(3) "CONTRACT", UNLESS SPECIFICALLY PROVIDED OTHERWISE, INCLUDES CONSUMER, COMMERCIAL, AND BUSINESS CONTRACTS, COVENANTS, LEASES OF ANY KIND, AND TARIFFS ON FILE WITH ANY REGULATORY AUTHORITY.

(4) (I) "LATE FEE" MEANS ANY CHARGE OR FEE IMPOSED BECAUSE A PAYMENT IS NOT MADE WHEN THE PAYMENT IS DUE UNDER THE TERMS OF A CONTRACT.

~~(2)~~ (II) "LATE FEE" INCLUDES A FEE IMPOSED UNDER ~~PARAGRAPH (1)~~ OF THIS SUBSECTION SUBPARAGRAPH (I) OF THIS PARAGRAPH THAT IS DESCRIBED:

- ~~(H)~~ 1. AS A FLAT RATE;
- ~~(HH)~~ 2. AS A PERCENTAGE OF THE AMOUNT DUE; OR
- ~~(HHH)~~ 3. IN ANY OTHER TERMS.

(B) THE PARTIES TO A CONTRACT MAY AGREE TO REQUIRE THE PAYMENT OF A LATE FEE WHEN A PARTY FAILS TO MAKE A PAYMENT WHEN THE PAYMENT IS DUE.

(C) A CONTRACT THAT REQUIRES THE PAYMENT OF A LATE FEE SHALL DISCLOSE, BY ITS TERMS OR BY NOTICE:

- (1) THE AMOUNT OF THE LATE FEE;
 - (2) THE CONDITIONS UNDER WHICH THE LATE FEE WILL BE IMPOSED;
- AND
- (3) THE TIMING FOR THE IMPOSITION OF THE LATE FEE.

(D) A LATE FEE IMPOSED UNDER THIS SECTION IS NOT:

- (1) INTEREST;
- (2) A FINANCE CHARGE;
- (3) LIQUIDATED DAMAGES; OR
- (4) A PENALTY.

(E) THIS SECTION DOES NOT AFFECT A LATE FEE, A FINANCE CHARGE, INTEREST, OR ANY OTHER FEE OR CHARGE OTHERWISE ALLOWED UNDER APPLICABLE LAW.

(F) THE AMOUNT OF A LATE FEE INCLUDED IN A CONSUMER CONTRACT PURSUANT TO THIS SECTION MAY BE UP TO \$10 PER MONTH, OR UP TO 10% PER MONTH OF THE PAYMENT AMOUNT THAT IS PAST DUE, WHICHEVER IS GREATER.

~~(G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A LATE FEE INCLUDED IN A CONSUMER CONTRACT PURSUANT TO THIS SECTION MAY NOT BE IMPOSED UNTIL 10 DAYS AFTER THE DATE THE BILL WAS RENDERED FOR THE GOODS OR SERVICES PROVIDED.~~