

ASSEMBLY BILL

No. 268

Introduced by Assembly Member Dababneh

February 10, 2015

An act to amend Section 22303 of the Financial Code, relating to consumer loans.

LEGISLATIVE COUNSEL'S DIGEST

AB 268, as introduced, Dababneh. Consumer loans.

Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders and brokers by the Commissioner of Business Oversight. Under existing law, a finance lender includes any person who is engaged in the business of making consumer loans. With respect to consumer loans, existing law authorizes every licensee under that law who lends money to contract for and receive charges at a rate not exceeding the sum of certain percentages on specified parts of the unpaid principal balance, except as specified.

This bill would make a nonsubstantive change to that latter provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 22303 of the Financial Code is amended
- 2 to read:
- 3 22303. Every licensee who lends any sum of money may
- 4 contract for and receive charges at a rate not exceeding the sum
- 5 of the following:

- 1 (a) Two and one-half percent per month on that part of the
2 unpaid principal balance of any loan up to, including, but not in
3 excess of two hundred twenty-five dollars (\$225).
- 4 (b) Two percent per month on that ~~portion~~ *part* of the unpaid
5 principal balance in excess of two hundred twenty-five dollars
6 (\$225) up to, including, but not in excess of nine hundred dollars
7 (\$900).
- 8 (c) One and one-half percent per month on that part of the unpaid
9 principal balance in excess of nine hundred dollars (\$900) up to,
10 including, but not in excess of one thousand six hundred fifty
11 dollars (\$1,650).
- 12 (d) One percent per month on any remainder of such unpaid
13 balance in excess of one thousand six hundred fifty dollars
14 (\$1,650).
- 15 This section does not apply to any loan of a bona fide principal
16 amount of two thousand five hundred dollars (\$2,500) or more as
17 determined in accordance with Section 22251.