

Indiana Revises IUCCC Late Charge Provisions for Consumer Credit Sales and Consumer Loans

May 10, 2019 |

On May 6, 2019, the Governor of Indiana signed House Bill 1136, which amends the Indiana Uniform Consumer Credit Code, Ind. Code §§ 24-4.5-1-101 et seq. ("IUCCC"). Among other things, HB 1136 revises the late charges permitted for consumer credit sales and consumer loans from an adjustable amount to a set amount that varies depending upon the transaction's payment frequency.

In connection with consumer credit sales and consumer loans, the bill permits a delinquency charge of:

- \$5, if installments are due every 14 days or less and the installment is not paid within 10 days after its scheduled due date;
- \$25, if installments are due every 15 days or more and the installment is not paid within 10 days after its scheduled due date; or
- \$25, on a single installment due at least 30 days after the sale or loan is made if the installment is not paid within 10 days after its scheduled due date.

HB 1136 also amends the IUCCC's late charge provisions to prohibit a creditor from collecting a late charge on any payment that:

- is paid within 10 days after its scheduled due date; and
- is otherwise a full payment of the payment due for the applicable installment period, if the only delinquency with respect to a consumer credit sale or a consumer loan is attributable to a delinquency charge for an earlier installment.

In addition, HB 1136 amends the provisions regarding transaction fees for revolving loan accounts, changing the maximum fee to the greater of \$10 or 2% of the transaction amount.

The revised fees are effective July 1, 2019.

House Bill 1136

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