

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 15-0972.01 Yelana Love x2295

HOUSE BILL 15-1390

HOUSE SPONSORSHIP

Melton and Tate, Nordberg

SENATE SPONSORSHIP

Holbert and Jahn,

House Committees
Business Affairs and Labor

Senate Committees
Finance

A BILL FOR AN ACT

101 **CONCERNING AN INCREASE IN THE ALLOWABLE FINANCE CHARGE FOR**
102 **CERTAIN CONSUMER CREDIT TRANSACTIONS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Current law limits the permissible finance charge on certain supervised loans and consumer credit sales based on the unpaid balances of the amount financed. The bill increases the applicable finance charge limits to:

- ! 36% per year on an unpaid balance of the amount financed that is \$3,000 or less (changed from \$1,000 or less);

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
2nd Reading Unamended
May 5, 2015

HOUSE
3rd Reading Unamended
May 1, 2015

HOUSE
2nd Reading Unamended
April 30, 2015

- ! 21% per year on an unpaid balance of the amount financed that is more than \$3,000 but less than \$5,000 (changed from more than \$1,000 but less than \$3,000); and
 - ! 15% per year on an unpaid balance of the amount financed that is more than \$5,000 (changed from more than \$3,000).
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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 5-2-201, **amend** (2)

3 (a) as follows:

4 **5-2-201. Finance charge for consumer credit transactions.**

5 (2) With respect to a supervised loan or a consumer credit sale, except
6 for a loan or sale pursuant to a revolving account, a supervised lender or
7 seller may contract for and receive a finance charge, calculated according
8 to the actuarial method, not exceeding the equivalent of the greater of
9 either of the following:

10 (a) The total of:

11 (I) Thirty-six percent per year on that part of the unpaid balances
12 of the amount financed that is ~~one~~ THREE thousand dollars or less;

13 (II) Twenty-one percent per year on that part of the unpaid
14 balances of the amount financed that is more than ~~one~~ THREE thousand
15 dollars but does not exceed ~~three~~ FIVE thousand dollars; and

16 (III) Fifteen percent per year on that part of the unpaid balances
17 of the amount financed that is more than ~~three~~ FIVE thousand dollars; or

18 **SECTION 2. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, and safety.