



General Assembly

February Session, 2006

Raised Bill No. 5601

LCO No. 2249

02249_____BA_

Referred to Committee on Banks

Introduced by:

(BA)

**AN ACT CONCERNING LATE FEES OR MISSING PAYMENT FEES
CHARGED BY COMPANIES THAT EXTEND CONSUMER CREDIT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective October 1, 2006*) (a) No company that
2 extends consumer credit shall impose a late or missing payment fee on
3 an outstanding principal balance on a borrower's account that exceeds
4 the amount of such balance on such account. Any such fee, either alone
5 or in conjunction with any other interest fee, shall be deemed usurious
6 if such fee exceeds the maximum interest rate allowed under the
7 provisions of chapter 673 of the general statutes.
- 8 (b) Any company that extends consumer credit in violation of the
9 provisions of subsection (a) of this section shall forfeit the right to
10 recover such fees or credit balance.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2006</i>	New section
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Statement of Purpose:

To protect consumers of modest means from abusive credit practices that circumvent consumer protection laws.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]