

The Senate Banking and Financial Institutions Committee offered the following substitute to SB 17:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 4 of Title 7 of the Official Code of Georgia Annotated, relating to
2 interest and usury, so as to prohibit a person who makes more than ten loans per year to
3 Georgia residents, which loans are for \$3,000.00 or less, and who is not licensed to lend
4 money in this state from maintaining a proceeding related to such loan transaction; to
5 provide for definitions; to provide for related matters; to repeal conflicting laws; and for
6 other purposes.

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8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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10 style="text-align:center">**SECTION 1.**

11 Chapter 4 of Title 7 of the Official Code of Georgia Annotated, relating to interest and
12 usury, is amended by adding following Code Section 7-4-10 a new Code section to read
13 as follows:

14 "7-4-10.1.

15 (a) A person who makes more than ten loans per year to Georgia residents, or any
16 person who succeeds to all or a partial interest in such loans, which loans are for less
17 than \$3,000.00 each, and who is not licensed to lend money in this state may not
18 maintain a proceeding related to such loan transactions in any court in this state.

19 Licensed to lend money shall mean permitted by Georgia law to make loans to Georgia
20 residents either by specific license or by other specific authority of law.

21 (b) As used in this Code section, the term:

22 (1) 'Loan' means all transactions in which the true purpose and intent of the
23 transaction are that one person lends or advances money or credit to another person
24 with the intention that the money lent or advanced shall be repaid together with
25 interest or any other charges for the use of the money or credit advanced. This Code
26 section shall apply with respect to any such transaction notwithstanding the fact that
27 one or more parties intend to disguise the nature of the transaction by means of any

1 nomenclature or terms designed to make the transaction appear to be or resemble a
2 transaction other than a loan. Without limiting the generality of the foregoing, any
3 such transaction shall constitute a loan transaction for purposes of this Code section
4 notwithstanding the fact that the transaction is denominated as a purchase, sale, lease,
5 rental, check cashing transaction, or other transaction.

6 (2) 'Person' means individuals, corporations, associations, copartnerships, and all
7 other legal and commercial entities."

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SECTION 2.

10 All laws and parts of laws in conflict with this Act are repealed.

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