

The House Committee on Governmental Affairs offers the following substitute to HB 517:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 1 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated, "The  
2 Retail Installment and Home Solicitation Sales Act," so as to change provisions relating to  
3 late fees and dishonor fees which may be charged in retail installment contracts and  
4 revolving accounts; to provide an effective date; to repeal conflicting laws; and for other  
5 purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 1 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated, "The Retail  
9 Installment and Home Solicitation Sales Act," is amended by striking Code Section 10-1-7,  
10 relating to delinquency charges and other charges and fees, and inserting in its place a new  
11 Code section to read as follows:

12 "10-1-7.

13 (a) A retail installment contract or a revolving account may provide for payment by the  
14 buyer of a delinquency charge on any installment which is not paid within ten days from  
15 the date the payment is due. The charge may not exceed ~~\$13.00~~ \$18.00. A delinquent  
16 charge shall not be collected more than once for the same default. A retail installment  
17 contract or a revolving account may provide for the payment of reasonable attorneys' fees,  
18 if referred for collection to an attorney not a salaried employee of the retail seller, and for  
19 the payment of court costs.

20 (b) A retail installment contract or a revolving account may provide that if the buyer  
21 submits to the retail seller as payment for an unpaid balance, or portion thereof, in that  
22 account or pursuant to that contract, a check, draft, or order for the payment of money on  
23 any bank or other depository, which check, draft, or order is not honored by the drawee,  
24 then a delinquency charge as specified in subsection (a) of this Code section may be  
25 charged; and a bad instrument fee not to exceed ~~\$25.00 or 5 percent of the face amount of~~  
26 ~~the check, draft, or order, whichever is greater; the amount specified in subsection (j) of~~  
27 Code Section 16-9-20 may be charged to the buyer and ~~will be~~ added to the unpaid balance

1 on the buyer's account if ten days have elapsed since the retail seller has mailed to the  
2 buyer at his or her last known address written notice of the failure to honor the check, draft,  
3 or order without the check, draft, or order having been made good. ~~If a fee is charged under~~  
4 ~~this subsection, then no delinquency charge shall be made as to the first installment which~~  
5 ~~is in default but would not have been in default if the check, draft, or order had not been~~  
6 ~~dishonored.~~ A fee authorized by this Code section shall not be deemed to be time price  
7 differential, interest, or any other type of finance charge and shall not be included in  
8 determining whether any limitations on time price differential, interest, or other finance  
9 charges have been exceeded."

10 **SECTION 2.**

11 This Act shall become effective upon its approval by the Governor or upon its becoming law  
12 without such approval.

13 **SECTION 3.**

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