

House Bill 517 (AS PASSED HOUSE AND SENATE)

By: Representatives Porter of the 119th, Powell of the 23rd, and Harbin of the 80th

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

1 Code Section 16-9-20 and Code Section 13-6-15 may be charged to the buyer and ~~will be~~
2 added to the unpaid balance on the buyer's account if ten days have elapsed since the retail
3 seller has mailed to the buyer at his or her last known address written notice of the failure
4 to honor the check, draft, or order without the check, draft, or order having been made
5 good. ~~If a fee is charged under this subsection, then no delinquency charge shall be made~~
6 ~~as to the first installment which is in default but would not have been in default if the~~
7 ~~check, draft, or order had not been dishonored.~~ A fee authorized by this Code section shall
8 not be deemed to be time price differential, interest, or any other type of finance charge and
9 shall not be included in determining whether any limitations on time price differential,
10 interest, or other finance charges have been exceeded."

11 **SECTION 2.**

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

14 **SECTION 3.**

15 All laws and parts of laws in conflict with this Act are repealed.