



# *State of Tennessee*

## **PUBLIC CHAPTER NO. 164**

**SENATE BILL NO. 256**

**By Tracy**

Substituted for: House Bill No. 390

By Kevin Brooks, Timothy Hill, Sargent, Shaw

AN ACT to amend Tennessee Code Annotated, Section 45-5-301, relative to the rate of interest charged by certain industrial loan and thrift registrants.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-5-301, is amended by deleting subdivision (2) and substituting instead the following:

(2)(A) Charge interest:

(i) On loans where the total amount of the loan is less than one hundred dollars (\$100), at a nominal rate not in excess of seven and one-half percent (7.5%) per annum, deducted in advance, on the total amount of the loan for the full term thereof without regard to the payment schedule; but no interest shall be charged on the loans in excess of a maximum effective rate of eighteen percent (18%) per annum;

(ii) On loans where the total amount of the loan is one hundred dollars (\$100) or more, up to five thousand dollars (\$5,000), at any rate not in excess of a maximum effective rate of thirty percent (30%) per annum;

(iii) On loans where the total amount of the loan is more than five thousand dollars (\$5,000), at any rate not in excess of the maximum effective rate of twenty-four percent (24%) per annum; and

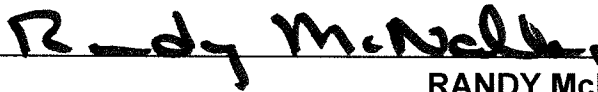
(iv) On loans made under open-end credit plans, which are plans under which a registrant contemplates repeated loans that may be without fixed maturities or limitation as to the length of term, and that are subject to prepayment at any time, at any rate not in excess of a maximum effective rate of twenty-four percent (24%) per annum;

(B) All the interest shall be contracted for and computed in accordance with § 45-5-401;

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 256

PASSED: April 13, 2017



RANDY McNALLY  
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 24<sup>th</sup> day of April 2017



BILL HASLAM, GOVERNOR