

**RULES  
OF  
THE TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS**

**CHAPTER 0180-8  
RULES FOR SINGLE PAYMENT SMALL LOANS**

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**0180-8-.01. APPLICATION OF RULES.** These rules apply to single payment loans for a term of one (1) year or less in an original principal amount of One Thousand Dollars (\$1,000.00) or less made pursuant to Chapter 203 of the Public Acts of 1979.

*Authority:* T.C.A. § 4-5-104 and Chapter 203 of the Public Acts of 1979. *Administrative History:* Original Rule filed July 16, 1979; effective August 30, 1979.

**0180-8-.02. DEFINITIONS.** Unless otherwise provided, the terms used herein shall have the meaning ascribed to them in Chapter 203 of the Public Acts of 1979.

*Authority:* T.C.A. § 4-5-104 and Chapter 203 of the Public Acts of 1979. *Administrative History:* Original rule filed July 16, 1979; effective August 30, 1979.

**0180-8-.03. MAXIMUM EFFECTIVE INTEREST RATES.** For all single payment loans subject to these rules, the maximum effective interest rate shall be ten percent (10%) per annum.

*Authority:* T.C.A. § 4-5-104 and Chapter 203 of the Public Acts of 1979. *Administrative History:* Original rule filed July 16, 1979; effective August 30, 1979.

**0180-8-.04. LOAN CHARGES.**

- (1) For all loans subject to these rules, a loan charge may be exacted at a rate not to exceed seven dollars and fifty cents (\$7.50) on the first one hundred dollars (\$100.00) of principal and one dollar and fifty cents (\$1.50) per one hundred dollars (\$100.00) of principal thereafter, up to a maximum of twenty dollars (\$20.00) for any loan; provided, however, no such loan charge may be assessed upon the renewal of any such loan; provided, further, that a renewal of any such loan is hereby declared to mean a renewal of the loan with a principal amount that is the same, or less than, the original principal amount of the loan, or a new loan in which all, or substantially all, of the proceeds are applied to pay off the existing loan. In the event that the principal amount of the loan is not in an exact increment of one hundred dollars (\$100.00), the permissible loan charge is pro-rated accordingly.
- (2) Loan charges include charges or premiums for credit life, accident, or health insurance written in connection with a loan subject to these rules unless:
  - (a) the insurance coverage is not required by the lender as a condition for extending the credit and this fact is clearly and conspicuously disclosed in writing to the borrower; and
  - (b) any borrower desiring such insurance coverage gives specifically dated and separately signed affirmative written indication of his intention to purchase such insurance after receiving written disclosure of its cost.

*Authority:* T.C.A. § 4-5-104 and Chapter 203 of the Public Acts of 1979. *Administrative History:* Original rule filed July 16, 1979; effective August 30, 1979.

**0180-8-.05. LIMITATION ON THE COLLECTION OF OTHER CHARGES.** With the exception of interest, loan charges, and insurance as authorized by these rules, no other charges of any nature may be imposed in connection with a loan subject to these rules; provided, however, the foregoing limitation shall not prohibit payment by the borrower of the reasonable and actual costs of collecting a loan upon default, including attorneys' fees.

*Authority:* T.C.A. § 4-5-104 and Chapter 203 of the Public Acts of 1979. *Administrative History:* Original rule filed July 16, 1979; effective August 30, 1979.

**0180-8-.06 VIOLATIONS.**

- (1) Enforcement
  - (a) If, after notice and an opportunity to be heard, the commissioner finds that a person has violated T.C.A. §47-14-104 or any rule promulgated thereunder, the commissioner may:
    1. order the person to cease and desist violating T.C.A. §47-14-104 or any rule promulgated thereunder: and/or
    2. order the person to refund any interest, loan charges, and any other charges imposed in violation of T.C.A. §47-14-104 and/or any rule promulgated thereunder.
  - (b) If a person violates an order issued pursuant to Rule 0180-8-.06(1)(a), the commissioner may, after notice and an opportunity to be heard, assess a civil penalty of five hundred dollars (\$500) per day for each day during which such violation continues. The penalty imposed under this section is in addition to and not in lieu of penalties available under any other applicable law.
- (2) Service of notice required by Rule 0180-8-.06(1)
  - (a) The commissioner or a person designated by the commissioner shall serve the notice required by Rule 0180-8-.06(1) as follows:
    1. by delivering the notice personally to the person charged with violating T.C.A. §47-14-104 or any rule promulgated thereunder: or
    2. by sending the notice registered return receipt for certified return receipt mail to the person charged with violating T.C.A. §47-14-104 or any rule promulgated thereunder; or
    3. by providing the notice to the person charged with violating T.C.A. §47-14-104 or any rule promulgated thereunder by any other method allowed by law in judicial proceedings.

*Authority:* T.C.A. §§45-1-107(h), 45-1-108 and 47-14-104(b). *Administrative History:* Original rule filed July 27, 1998; effective November 28, 1998