

70C-3-103 Delinquency charges -- Conversion of account.

- (1) With respect to a closed-end loan, a delinquency charge may not be assessed on a payment that is a payment in full for the scheduled installment period solely because of an unpaid delinquency charge relating to an earlier installment.
- (2)
 - (a) With respect to a closed-end loan other than one in which the finance charge is based on unpaid daily balances, if two payments or parts of two payments are past due for more than 10 days, the lender may convert the loan to one in which the finance charge is based on unpaid daily balances.
 - (b) In the event of conversion under Subsection (2)(a):
 - (i) the creditor shall calculate the unpaid balance of the debt in accordance with the provisions governing rebate on prepayment under Section 70C-3-101 as of the due date of the first delinquent installment; and
 - (ii) after the conversion the creditor may collect a finance charge not exceeding the annual rate agreed upon by the parties.

Amended by Chapter 162, 2005 General Session