

Effective 5/1/2024

7-27-202 Disclosures for commercial financing transactions.

- (1) Before consummating a commercial financing transaction, a provider shall disclose the terms of the commercial financing transaction in accordance with this section and rules made by the commissioner.
- (2) A provider shall disclose the following information in connection with each commercial financing transaction:
 - (a) the total amount of funds provided to the business under the terms of the commercial financing transaction;
 - (b) the total amount of funds disbursed to the business under the terms of the commercial financing transaction, if less than the amount described in Subsection (2)(a);
 - (c) the total amount to be paid to the provider under the terms of the commercial financing transaction;
 - (d) the total dollar cost of the commercial financing transaction, calculated by finding the difference between:
 - (i) the amount described in Subsection (2)(a); and
 - (ii) the amount described in Subsection (2)(c);
 - (e)
 - (i) the manner, frequency, and amount of each payment; or
 - (ii) if the amount of each payment may vary, the manner, frequency, and estimated amount of the initial payment; and
 - (f) a statement of whether there are any costs or discounts associated with prepayment under the commercial financing transaction, including a reference to the paragraph in the commercial financing transaction agreement that creates each cost or discount.
- (3) The commercial financing transaction agreement shall include a description of the methodology for calculating any variable payment amount and the circumstances that may cause a payment amount to vary.
- (4) The provisions of this section apply to a commercial financing transaction consummated on or after January 1, 2023.

Amended by Chapter 114, 2024 General Session