

70C-7-206 Creditor's defenses.

- (1) If a creditor establishes by a preponderance of evidence that a violation of this title is unintentional or the result of a bona fide error, no penalty as specified in Sections 70C-7-201 and 70C-7-204 may be imposed and the validity of the transaction is not affected.
- (2) A creditor or assignee has no liability under this part for any failure to comply with any requirement imposed under this title if within 60 days after discovering an error, and prior to the institution of an action under this chapter or the receipt of written notice of the error from the debtor, the creditor or assignee notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the person will not be required to pay an amount in excess of the charge actually disclosed, or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.
- (3) No provision of this part imposing any penalty applies to any action done or omitted in good faith in conformity with some provision of this title, notwithstanding that after the action or omission has occurred the provision is amended, rescinded, or determined by judicial or other competent authority to be invalid for any reason.

Enacted by Chapter 159, 1985 General Session