

CONSUMER CREDIT CONTRACTS

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Gregory S. Bell

LONG TITLE

General Description:

This bill modifies the Utah Consumer Credit Code to enact provisions relating to finance charges on open-ended consumer credit accounts.

Highlighted Provisions:

This bill:

- ▶ prohibits a creditor located in Utah from imposing a retroactive finance charge on an open-end consumer credit account for a billing period during which the creditor originally did not impose a finance charge; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

70C-4-103, as enacted by Chapter 159, Laws of Utah 1985

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **70C-4-103** is amended to read:

70C-4-103. Finance charge for open-end accounts.

(1) With respect to an open-end consumer credit contract[;]:



28 (a) a finance charge may only be calculated during any particular billing cycle on the
29 basis of either:

30 ~~[(1)]~~ (i) the average or actual daily balance of the account; or
31 ~~[(2)]~~ (ii) the unpaid balance of the account on the last day of the billing cycle after
32 deducting payments and credits received during the same cycle~~[-]; and~~

33 (b) a creditor may not apply a finance charge:
34 (i) based on the balance of the account during a previous billing cycle; and
35 (ii) in an amount greater than the finance charge the creditor applied to the account at
36 the conclusion of the billing cycle described in Subsection (1)(b)(i).

37 (2) This section does not prevent a creditor from applying a finance charge because of
38 a debtor's failure to make a regular minimum payment, as defined by the creditor, for any
39 billing cycle.

Legislative Review Note
as of 8-25-03 2:24 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel