

(12) "services" means work, labor, or other kind of activity furnished, or agreed to be furnished, primarily for personal, family, or household use, and not for commercial or business use, whether or not furnished or agreed to be furnished in connection with the delivery, installation, servicing, repair, or improvement of consumer goods, including such work, labor, or other activity furnished or agreed to be furnished in connection with repairs, alterations, or improvements upon or in connection with real property, but the term "services" shall not include work, labor, or other activity furnished or agreed to be furnished for which the price or tariff charged or to be charged is required by law to be determined or approved by, or to be filed, subject to approval or disapproval, with the United States or the District, or a department, division, agency, officer, or official of either of such governments.

INCLUSIVE CHARGES

SEC. 3. No fee, expense, or other charge whatsoever shall be taken, received, reserved, or contracted for in retail installment transactions regarding consumer goods, except the following:

- (A) finance charges permitted by section 4 of this Act;
- (B) charges for delivery, installation, repair, or other services upon the goods which are included in the contract separate from the cash price of the goods and which are not imposed on the buyer as an incident to the extension of credit;
- (C) charges for official fees, taxes, and insurance which are itemized and described in the retail installment contract which qualify for exclusion from the definition of finance charge under section 2(5) of this Act; and
- (D) additional charges authorized by section 5 of this Act.

MAXIMUM FINANCE CHARGES

SEC. 4. No finance charge shall be taken, received, reserved, agreed upon, or contracted for in excess of the maximum rates set forth in this section. Such rates shall be computed in accordance with rules, regulations, and instructions issued by the Council. For purposes of this section, the annual percentage rate means the nominal annual rate determined by the actuarial method (United States rule) and, for purposes of this calculation, it may be assumed that (i) the total time for repayment of the total amount to be financed is the time from the date of the transaction to the date of the final scheduled payment; (ii) all payments are equal if all scheduled payments are substantially equal; (iii) all payments are scheduled at equal intervals, if all payments are so scheduled except the first payment which may be scheduled to be paid before, on, or after one period from the date of the transaction. A period of time equal to one-half or more of a payment period may be considered one full period. The Council may prescribe methods other than the actuarial method, if it determines that the use of such other methods will materially simplify computation while retaining reasonable accuracy as compared with the rate determined under the actuarial method. Where the finance charge is imposed for all balances within a specified range, the annual percentage rate shall be computed on the median balance within the range for purposes of this section.

(A) A creditor may, in a retail installment transaction, contract for and, if so contracted for, may charge, receive and collect a finance charge at rates not to exceed the following:

- (1) On so much of the total amount to be financed as does not exceed \$500, 20 per centum per annum;
- (2) On so much of the total amount to be financed as does exceed \$500, 16 per centum per annum.

(B) A creditor may, in an open end credit plan in which a service charge is levied on the opening balance less payments and return credited during the period, contract for, and if so contracted for, may charge, receive and collect a finance charge at rates not to exceed the following:

- (1) On so much of the total amount to be financed remaining unpaid as does not exceed \$500, 1½ per centum per month;
- (2) On so much of the total amount to be financed remaining unpaid as does exceed \$500, 1 per centum per month.

(C) A creditor may, in open end credit plans other than those described in subsection (B) of this section, contract for, and if so contracted for, may charge, reserve and collect a finance charge at rates not to exceed the following: