

Special Charges.—*Delinquency*: 5% of amount due on any delinquent instalment or interest on the instalment at 6% per annum, whichever is greater. *Collection*: no provision. *Insurance Premiums*: may be charged unless borrower procures his own insurance. *Investigation*: credit abstract report costs. *Other*: filing, recording and acknowledging fees. (Sec. 6.04A04)

Disclosure.—Borrower must receive a copy of all instruments evidencing the loan and a statement of all charges made by the lender on the loan. Upon payment in full, the lender must return every obligation and security signed by any obligator with the word "Paid" or "Cancelled" plainly marked thereon, and restore all security to the lender. (Sec. 6.04A06)

Penalty For Excessive Interest.—If any amount in excess of the permitted charges is charged, contracted for or received, except as the result of an accidental and bona fide error of computation, the contract of loan is void and the owner of the note has no right to collect or receive any principal, interest or charges whatsoever; however, this does not apply to any retail instalment transaction under SDC 1960 Supp. 6.04C. (Sec. 6.04A07, *as amended by Laws 1964, Ch. 14.*)

Miscellaneous Provisions.—*Insurance*: borrower may procure his own insurance. (Sec. 6.04A04) *Acceleration*: permitted immediately upon default if loan agreement so provides. (Sec. 6.04A05) *Security*: no provision. *Other*: The Instalment Loan Law does not apply to any loan of money, bearing not over 8% simple interest, repayable in instalments as which any charge for such loans or interest thereon is not included in the principal amount of the note or in instruments evidencing such loans. (Sec. 6.04A11)

#### TENNESSEE

NOTE: Separate instalment loan provisions exist for bank and trust company instalment loans and federal savings and loan association home improvement instalment loans.

BANK AND TRUST COMPANY INSTALMENT LOANS, CHAPTER 411, *enacted by Laws 1968, approved and effective March 6, 1968 [adding a new section to Ch. 4 of Title 45, Tennessee Code Annotated]*

Lenders.—Banks and trust companies. (Sec. 1(a))

Maximum Loan.—No special provisions.

Interest Charges.—6% per annum on principal amount for entire term; may be deducted in advance or added to principal. (Sec. 1(b))

Maximum Time.—No special provisions.

Payments and Refunds.—*Instalments*: equal or substantially equal. (Sec. 1(a)) *Prepayment*: allowed with refund of unearned interest in an amount representing at least as great a proportion of the original charge as the sum of the periodical time balances after the date of prepayment bears to the sum of all the periodical time balances under the schedule of payments in the original instalment loan; no required refund resulting in less than the minimum charge of \$10 per loan or \$1 per monthly instalment, whichever is greater; no refund of less than \$1 required. (Sec. 1(b), (c)(5))

Special Charges.—*Delinquency*: 5% of any one instalment more than 15 days in arrears. (Sec. 1(c)(1)) *Collection*: expenses incurred in closing, securing and collecting loan, including legal costs and reasonable attorney's fees; lender may make a minimum charge of \$10 per loan or \$1 per monthly instalment, whichever is greater. (Sec. 1(c)(5)) *Insurance Premiums*: on insurance required or obtained as security for loan (Sec. 1(c)(2)); lender may deduct and remit premium to insurer on loan over \$300, and any gain therefrom may not be considered additional charge or interest; borrower may procure own insurance. (Sec. 2(a)-(c)) *Investigation*: expenses of investigating title to real property securing loan, including cost of title insurance. (Sec. 1(c)(4)) *Other*: fees and taxes paid to public officials for filing, recording or releasing any instrument or lien. (Sec. 1(c)(3))

Disclosure.—Within 30 days of loan, lender must furnish borrower with a written statement of the transaction or a copy of the note containing the following information: (a) original principal amount; (b) insurance premium for each type of coverage provided; (c) amount of fees and taxes to public officials; (d)