House Bill 824 (AS PASSED HOUSE AND SENATE)

By: Representatives Smith of the 134th, England of the 116th, Meadows of the 5th, Willard of the 51st, Smyre of the 135th, and others

A BILL TO BE ENTITLED AN ACT

To amend Article 1 of Chapter 4 of Title 7 of the Official Code of Georgia Annotated, relating to interest and usury generally, so as to clarify that the term "interest" does not include certain fees agreed upon by a financial institution and a depositor in a written agreement between the parties; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

8 Article 1 of Chapter 4 of Title 7 of the Official Code of Georgia Annotated, relating to
9 interest and usury generally, is amended by adding a new subsection to Code Section 7-4-2,
10 relating to the legal and maximum rates of interest, to read as follows:

11 "(d) Notwithstanding the foregoing, fees and other charges agreed upon by a financial

12 institution and depositor, as defined in Code Section 7-1-4, in a written agreement

13 governing a deposit, share, or other account, including, but not limited to, overdraft and

14 <u>nonsufficient funds, delinquency or default charges, returned payment charges, stop</u>

15 payment charges, or automated teller machine charges, shall not be considered interest."

Said article is further amended by adding a new subsection to Code Section 7-4-18, relating
to criminal penalties for charging excessive interest, to read as follows:

SECTION 2.

19 "(d) Notwithstanding the foregoing, fees and other charges agreed upon by a financial

20 institution and depositor, as defined in Code Section 7-1-4, in a written agreement

21 governing a deposit, share, or other account, including, but not limited to, overdraft and

- 22 <u>nonsufficient funds, delinquency or default charges, returned payment charges, stop</u>
- 23 payment charges, or automated teller machine charges, shall not be considered interest."

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- SECTION 3.
 It is not the intent of the General Assembly to affect the law applicable to litigation pending
 as of February 19, 2014.
 SECTION 4.
- 28 This Act shall become effective upon its approval by the Governor or upon its becoming law
- 29 without such approval.
- **30 SECTION 5.**
- 31 All laws and parts of laws in conflict with this Act are repealed.