

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.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

"(d) Notwithstanding the foregoing, fees and other charges agreed upon by a financial institution and depositor, as defined in Code Section 7-1-4, in a written agreement governing a deposit, share, or other account, including, but not limited to, overdraft and nonsufficient funds, delinquency or default charges, returned payment charges, stop payment charges, or automated teller machine charges, shall not be considered interest."

SECTION 2.

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:

"(d) Notwithstanding the foregoing, fees and other charges agreed upon by a financial institution and depositor, as defined in Code Section 7-1-4, in a written agreement governing a deposit, share, or other account, including, but not limited to, overdraft and nonsufficient funds, delinquency or default charges, returned payment charges, stop payment charges, or automated teller machine charges, shall not be considered interest."

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