

TN Flexible Credit Act TIP SHEET

We are happy to help you with any specific question you may have about your store or company.
Please contact eCash Software Support with your questions:

844.376.3848

support@eCashSoftware.com

LAW

Effective: Jan. 1, 2015

<http://bit.ly/TNFlexLaw>

OVERVIEW

- May be unsecured or secured by personal property
- May be without fixed maturities or limitation as to the length of term.
- Are subject to prepayment in whole or in part at any time without penalty.
- No flex loan plan under this chapter shall have an outstanding principal balance in excess of four thousand dollars (\$4,000) at any time.
- The account-opening statement for any flex loan plan shall not require the customer to draw the full amount of credit available under a flex loan plan at any time.
- No customer may have outstanding more than one (1) flex loan plan under this chapter at any one (1) time. Customer represents in writing that the customer has no outstanding flex loan plans.
- The account-opening statement for any flex loan plan shall include:
 - A next-business-day customer's right of rescission for any requested draw
 - A notice informing the customer that a complaint may be made, including the department's telephone number and address.

INTEREST RATE AND FEES

- A licensee may charge and collect a periodic interest rate not to exceed twenty-four percent (24%) per annum.
- The customary fee shall not be deemed interest for any purpose of law and shall not exceed a daily rate of seven-tenths of one percent (0.7%) of the average daily principal balance in any billing cycle.
- If a check is returned to a licensee from a payer financial institution due to insufficient funds, no licensee shall have the authority to assess a handling charge against the maker or drawer of the returned check

PAYMENTS

- Payment to be made in an amount sufficient to reduce any outstanding principal balance by at least three percent (3%) per calendar month.

COURT FEES

- If the flex loan plan so provides, you can charge and collect from the customer a reasonable attorney's fee
- If the flex loan plan is secured, the licensee may recover from the customer all collection and court costs, including all costs of enforcing the security agreement actually incurred by the licensee, including those incurred on appeal.
- A licensee may charge and collect interest following default of the customer or judgment.
- Disposition of property after default shall occur in a commercially reasonable manner