

17:16C-42

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LEGISLATIVE HISTORY CHECKLIST
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(Installment sales--
delinquency charges)

NJSA: 17:16C-42

LAWS OF: 1995 **CHAPTER:** 43

BILL NO: S1412

SPONSOR(S): Cardinale

DATE INTRODUCED: September 19, 1994

COMMITTEE: **ASSEMBLY:** ---

SENATE: Commerce

AMENDED DURING PASSAGE: Yes Amendments during passage
First reprint enacted denoted by superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** January 23, 1995

SENATE: December 15, 1994

DATE OF APPROVAL: March 7, 1995

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

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[FIRST REPRINT]
SENATE, No. 1412

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1994

By Senator CARDINALE

1 AN ACT permitting certain charges with respect to retail
2 installment and retail charge accounts and amending P.L.1960,
3 c.40.

4
5 BE IT ENACTED by the Senate and General Assembly of the
6 State of New Jersey:

7 1. Section 42 of P.L.1960, c.40 (C.17:16C-42) is amended to
8 read as follows:

9 42. (a) The holder of any retail installment contract may
10 collect a delinquency or collection charge for default in the
11 payment of any such contract or any installment thereof, if
12 provided for in the contract when such default shall have
13 continued for a period of 10 days, such charge not to exceed [5%
14 of each installment in default or the sum of \$5.00, whichever is
15 the lesser] \$10. Such charge may be collected by the holder of
16 the retail installment contract or charged to the buyer's retail
17 installment contract account. If charged to the buyer's retail
18 installment contract account, such charge shall be made within
19 35 days from the date of such default and then a written
20 notification that such charge has been made shall be mailed to
21 the retail buyer within 5 days from the date when such charge
22 was made.

23 (b) The holder of any retail charge account may collect a
24 delinquency or collection charge in an amount not to exceed \$10,
25 if provided for in the retail charge account agreement, on any
26 minimum payment ¹which has¹ not ¹been¹ paid in full ¹[within]
27 for a period of¹ 10 days after its due date, as originally scheduled.

28 (c) A delinquency or collection charge under this section may
29 be collected only once on each minimum payment due however
30 long it remains in default. A delinquency charge may be
31 collected at the time it accrues or at any time afterward.

32 (d) The retail installment contract or retail charge account
33 may provide for the payment of attorney's fees not exceeding
34 20% of the first \$500.00 and 10% on any excess of the amount
35 due and payable under such contract or account when referred to
36 an attorney, not a salaried employee of the holder of the contract
37 or account, for collection.

38 (cf: P.L.1971, c.409, s.13)

39 2. This act shall take effect on the 90th day following
40 enactment.

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44 Permits certain charges with respect to retail installment and
45 retail charge accounts.

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:
¹ Senate SCM committee amendments adopted November 21, 1994.

STATEMENT

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This bill would permit the holder of any retail installment or retail charge account to collect a delinquency or collection charge, if provided for in the retail account agreement, on any minimum payment not paid in full within 10 days after its due date, as originally scheduled, in an amount not to exceed \$10.

The bill permits a delinquency or collection charge to be collected only once on each minimum payment due however long it remains in default and permits the delinquency charge to be collected at the time it accrues or at any time afterward.

Permits certain charges with respect to retail installment and retail charge accounts.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1412

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 21, 1994

The Senate Commerce Committee reports favorably and with committee amendments Senate, No. 1412.

This bill, as amended, amends the "Retail Installment Sales Act of 1960" to permit the holder of any retail installment contract or retail charge account to collect a delinquency or collection charge, if provided for in such contract or account agreement, on any payment or minimum payment not paid in full for a period of 10 days after its due date, as originally scheduled, in an amount not to exceed \$10. Current law only allows for a delinquency or collection charge on retail installment contracts in an amount of not more than 5% of each installment in default or the sum of \$5, whichever is less.

Such a delinquency or collection charge may be collected only once on a payment, however long it remains in default and it may be collected at the time it accrues or at any time afterward.