

CONSUMER INSTALLMENT LENDERS

Introduction & Overview

The governing authority for Consumer Installment Lenders is found in 408.510 & 20 CSR 1140-13.010. These loans are very much like Consumer Loans, but with some notable exceptions. For instance, the loans may be in any amount, secured or unsecured, but must be repayable in at least 4 equal installments over a period of 120 days. The loans may be pre-computed or simple interest.

Consumer Installment Lenders are licensed in exactly the same manner as Consumer Credit Lenders, and may also contract for interest and fees as provided for in 408.100 and 408.140.1. In reviewing the regulations covering 408.510 loans you will note that 20 CSR 1140-13.010 (4) prohibits use of the “Rule of 78’s” or the “Sum of the Digits” method for calculating interest refunds. This regulation has been rendered void by 408.170 being amended to specifically permit a Consumer Credit Lender to avail themselves of this method of refund calculations. As with Consumer Credit Lenders, loans in amounts above \$5,000.00 require an actuarial refund. The loans are also subject to the default provisions 408.551 to 408.562.

Since Consumer Installment Lenders are actually a special category of Consumer Credit Lenders, the regulations found in 20 CSR 1140-5.010 and 20 CSR 1140-5.020 are generally applicable.

The following is a quick-reference guide for 20 CSR 1140-13.010. Also, see Quick Reference Guide (http://www.ded.mo.gov/upload/consumer_loans_quick_reference_chart_002.pdf) for Small Loan Companies (Sections 367.100-367.215 RSMo) link.

20 CSR 1140-13.010 (1)	Makes the regulations for Consumer Credit Lenders applicable.
20 CSR 1140-13.010 (2)	Requires the lender to provide the borrower with a copy of the contract, and to retain a copy in the file.
20 CSR 1140-13.010 (3)	Permits loans in any amount, and establishes a minimum term.
20 CSR 1140-13.010 (4)	No functional applicability.
20 CSR 1140-13.010 (5)	Permits fees as provided for in 408.140.1.
20 CSR 1140-13.010 (6)	Requires paid notes to be returned to the borrower and security interests to be released.