

155-2-2-.15 Refinancing - Alabama Consumer Credit Act

1. If more than one existing pre-computed consumer credit transaction contract will be consolidated, the annual percentage rate for the newly consolidated pre-computed consumer credit transaction contract shall not exceed the lowest annual percentage rate of any prior existing pre-computed consumer credit transaction contract or contracts to be consolidated. Where an existing pre-computed consumer credit transaction contract of less than two thousand dollars (\$2,000) is consolidated or refinanced with a subsequent precomputed consumer credit transaction contract, such that the amount financed exceeds two thousand dollars (\$2,000), the restriction contained in Section 5-19-17(c) is still applicable.
2. The determination or measurement of the annual percentage rate shall be at the time of the consummation of the pre-computed consumer credit transaction in question, without regard to actual timing and receipt of payments.
3. The fee for filing an application for certificate of title, as well as any statutorily authorized fee charged by a designated agent of the Department of Revenue, may be charged in connection with the consolidation or refinancing of any existing pre-computed consumer credit transaction contract, and shall not be considered a duplicate fee or expense under Section 5-19-17(c).
4. The interest surcharge permitted by Section 8-8-14(a) may be assessed in a subsequent pre-computed consumer credit transaction contract, notwithstanding its assessment on a prior existing pre-computed consumer credit transaction contract; and, such interest surcharge is not considered a duplicate fee or expense under Section 5-19-17(c).
5. Points permitted by Section 5-19-4(g) are considered a duplicate fee or expense for purposes of Section 5-19-17(c) and may not be assessed in a subsequent precomputed consumer credit transaction contract.

Author: Scott Corcadden, General Counsel

Statutory Authority: Code of Alabama 1975, §5-19-17, §5-19-21

History: Effective October 1, 1997