

**371.260 Time price differential -- Prepayment.**

- (1) Notwithstanding the provisions of any other law, a retail installment contract payable in substantially equal successive monthly installments beginning one (1) month from the date of the contract may provide for, and the seller or holder may then charge, collect, and receive a time price differential.
- (2) Notwithstanding the provisions of any retail installment contract to the contrary, any buyer may prepay in full the unpaid time balance thereof at any time before its final due date and, if he does so, shall receive a refund credit thereon for such prepayment. The amount of such refund credit shall represent at least as great a proportion of the original time price differential, after deducting therefrom a maximum of twenty dollars (\$20), as (a) the sum of the monthly unpaid balances under the schedule of payments in the contract beginning as of the date after such prepayment which is the next succeeding monthly anniversary date of the due date of the first installment under the contract, or, if the prepayment is prior to the due date of the first installment under the contract, then as of the date after such prepayment which is the next succeeding monthly anniversary date of the date of the contract, bears to (b) the sum of all the monthly unpaid balances under the schedule of installment payments in the contract. Where the amount of refund credit is less than one dollar (\$1), no refund credit need be made.

**Effective:** July 15, 1996

**History:** Amended 1996 Ky. Acts ch. 59, sec. 1, effective July 15, 1996. -- Created 1962 Ky. Acts ch. 136, sec. 2(9) and (10).