

190.110 Finance charges -- Rates -- Computation.

- (1) The finance charge in a retail installment sale shall not exceed the following rates:
 - Class 1. Any new or used motor vehicle designated by the manufacturer by a year model not earlier than the year in which the sale is made -- eleven dollars (\$11) per one hundred dollars (\$100).
 - Class 2. Any new motor vehicle not in class 1 and any used motor vehicle designated by the manufacturer by a year model of one (1) or two (2) years prior to the year in which the sale is made -- thirteen dollars (\$13) per one hundred dollars (\$100).
 - Class 3. All other motor vehicles not in class 1 or 2 -- fifteen dollars (\$15) per one hundred dollars (\$100).
- (2) Such finance charge shall be computed on the principal balance as determined under KRS 190.100 (2) on contracts payable in successive monthly payments substantially equal in amount extending for a period of one (1) year. On contracts providing for installment payments extending for a period less than or greater than one (1) year, the finance charge shall be computed proportionately.
- (3) When a retail installment contract provides for unequal or irregular installment payments, the finance charge shall be at the effective rate provided in subsection (1) of this section, having due regard for the schedule of payment.
- (4) The finance charge allowed by this section may be precomputed by using an add-on method. Alternatively, the seller may, at his option, compute the finance charge on a simple interest basis, at a fixed or variable rate, but in such case the amount of finance charge that the seller may collect shall not exceed the amount that could be collected if the finance charge were precomputed.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 391, sec. 3, effective July 13, 1984. -- Amended 1980 Ky. Acts ch. 321, sec. 2, effective July 15, 1980. -- Created 1956 Ky. Acts ch. 105, sec. 3, effective July 1, 1956.