AN ACT

ENTITLED, An Act to allow debt cancellation contract and debt suspension contract fees to be included in consumer installment sales contracts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 54-3A-5 be amended to read as follows:

54-3A-5. In addition to the finance charge, a creditor may contract for, and receive the following additional charges in connection with an installment sales contract if such charges are itemized and disclosed to the buyer:

(1) Official fees and taxes;

(2) Charges for credit life, accident, health, loss of income, property, or liability insurance. However any insurance is optional, and the consumer shall be informed, in writing, that any insurance is optional; and

(3) Charges for debt cancellation contracts and debt suspension contracts, as defined in § 51A-1-2, if the debt cancellation contract or debt suspension contract is a contract of a depository institution authorized to provide such coverage, and the contract is sold directly by the authorized depository institution or by a retailer acting as an agent for the authorized depository institution. However, any debt cancellation contract or debt suspension contract is optional, and the consumer shall be informed, in writing, that any such contract is optional.

Any such charges must be disclosed and explained to the consumer prior to signing any agreement to repay a consumer credit obligation. Any such charges must be separately agreed to in writing and separately signed by the consumer.

An Act to allow debt cancellation contract and debt suspension contract fees to be included in consumer installment sales contracts.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1090

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Chief Clerk

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Speaker of the House

Attest:

_____
Chief Clerk

_____
President of the Senate

Attest:

_____
Secretary of the Senate

House Bill No. 1090
File No. ____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20___

_____
Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____ , 20___
at _____ o'clock __ M.

_____
Secretary of State

By _____
Asst. Secretary of State