

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

HOUSE BILL 1748

5 By: Representative Vines
6 By: Senator J. Hutchinson
7

For An Act To Be Entitled

9 AN ACT TO CLARIFY THE CALCULATION OF INTEREST AND
10 APPLICATION OF PAYMENTS FOR CERTAIN EXTENSIONS OF
11 CREDIT; AND FOR OTHER PURPOSES.
12
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Subtitle

15 TO CLARIFY THE CALCULATION OF INTEREST
16 AND APPLICATION OF PAYMENTS FOR CERTAIN
17 EXTENSIONS OF CREDIT.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 4-57-101(c), concerning the calculation of
23 interest, is amended to read as follows:

24 (c)(1)(A)(i) In calculating interest ~~where partial payments may have~~
25 ~~been~~ for a partial payment that is made on credit for personal, family, or
26 household purposes, the interest shall be calculated to the time when the
27 ~~first partial payment shall have been~~ was made, and the partial payment shall
28 first be applied to the payment of the interest.

29 (ii) If the partial payment exceeds the interest due
30 on credit for personal, family, or household purposes, the balance of the
31 partial payment shall be applied to ~~diminish~~ reduce the principal of the
32 debt., ~~and the same course shall be observed in~~

33 (B) The method for calculating interest and applying
34 payments under subdivision (c)(1)(A) of this section shall apply to all
35 subsequent payments.

36 (2) ~~However, in no case when~~ Interest shall not be added to the



1 principal balance of a debt if a payment falls short of paying the interest
2 due on credit for personal, family, or household purposes at the time of
3 ~~making the payment shall the balance of the interest be added to the~~
4 ~~principal.~~

5 (3) Subdivisions (c)(1) and (2) of this section do not apply to
6 commercial credit, including without limitation commercial real estate
7 financing transactions.

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