

IC 24-7-5

Chapter 5. Additional Charges

IC 24-7-5-1

Nonrefundable processing fee

Sec. 1. A lessor may contract for and receive an initial nonrefundable processing fee not to exceed ten dollars (\$10).

As added by P.L.254-1987, SEC.1. Amended by P.L.138-1990, SEC.6.

IC 24-7-5-2

Security deposit refunds

Sec. 2. A lessor may refuse to refund any part of a security deposit provided by a lessee only under the conditions authorized in the rental purchase agreement.

As added by P.L.254-1987, SEC.1.

IC 24-7-5-3

Delivery charges

Sec. 3. (a) A lessor may contract for and receive a reasonable delivery charge if the lessor actually delivers the item to the lessee at a place other than the lessor's place of business.

(b) The delivery charge may be assessed in lieu of and not in addition to any initial processing charge imposed under section 1 of this chapter.

As added by P.L.254-1987, SEC.1.

IC 24-7-5-4

Rental payment pickup charges

Sec. 4. (a) A lessor may contract for and receive a charge for picking up rental or other payments from the lessee if the lessor is required or requested to visit the lessee to pick up a payment at a place other than the lessor's place of business.

(b) A charge assessed under this section may not exceed ten dollars (\$10).

As added by P.L.254-1987, SEC.1. Amended by P.L.138-1990, SEC.7.

IC 24-7-5-5

Late charges or delinquency fees

Sec. 5. (a) The parties may contract for late charges or delinquency fees as follows:

(1) For rental purchase agreements with monthly renewal dates, a late charge not exceeding eight dollars (\$8) may be assessed on any rental payment not made within five (5) days after:

(A) the renewal date for the agreement; or

(B) the return of the property is required under the rental purchase agreement.

(2) For rental purchase agreements with weekly or biweekly renewal dates, a late charge not exceeding the amount specified in subsection (e) may be assessed on any rental payments not made within two (2) days after:

(A) the renewal date for the agreement; or

(B) the return of the property is required under the rental purchase agreement.

(b) A late charge on a rental purchase agreement may be collected only once on any accrued rental payment, no matter how long it remains unpaid.

(c) A late charge may be collected at any time after it accrues.

(d) A late charge may not be assessed against a rental payment that is timely made, even though an earlier late charge has not been paid in full.

(e) The amount that may be assessed under subsection (a)(2) is as follows:

(1) Three dollars (\$3) for any payment not greater than twenty dollars (\$20).

(2) Five dollars (\$5) for any payment greater than twenty dollars (\$20).

As added by P.L.254-1987, SEC.1. Amended by P.L.138-1990, SEC.8; P.L.14-1992, SEC.63; P.L.213-2007, SEC.30; P.L.217-2007, SEC.29.

IC 24-7-5-5.5

Charge for dishonored checks, negotiable orders, or share drafts

Sec. 5.5. A lessor may contract for and receive a charge not to exceed twenty-five dollars (\$25) for each return by a bank or other depository institution of a dishonored check, negotiable order of withdrawal, or share draft issued by the lessee.

As added by P.L.213-2007, SEC.31; P.L.217-2007, SEC.30.

IC 24-7-5-6

Reinstatement fee

Sec. 6. A reinstatement fee imposed under IC 24-7-6-2 may not exceed five dollars (\$5).

As added by P.L.254-1987, SEC.1. Amended by P.L.138-1990, SEC.9.

IC 24-7-5-7

Sales and use taxes

Sec. 7. In addition to those charges allowable by this chapter, the lessor may require the lessee to pay any state sales and use taxes levied in connection with a rental purchase agreement.

As added by P.L.254-1987, SEC.1.

IC 24-7-5-8

Official fees

Sec. 8. In addition to those charges allowable by this chapter, a lessor may contract for and receive from the lessee an amount equal to all official fees required to be paid under a rental purchase agreement.

As added by P.L.254-1987, SEC.1.

IC 24-7-5-10

Liability of lessee for replacement cost of leased property; fair market value

Sec. 10. If a lessee is liable to a lessor for the replacement cost of property leased under a rental purchase agreement, the lessor may not charge the lessee more than the fair market value for the property.

As added by P.L.138-1990, SEC.10.

IC 24-7-5-11

Liability damage waivers; fee; prohibitions and requirements

Sec. 11. (a) In addition to the other charges permitted by this chapter, for a period during which the lessor relieves the lessee of liability under a liability waiver, a lessor and a lessee may contract for a liability waiver fee in the following amounts:

(1) In the case of a rental purchase agreement with weekly or biweekly renewal dates, the liability waiver fee may not exceed the greater of:

(A) ten percent (10%) of the periodic lease payment disclosed under IC 24-7-3-3(2); or

(B) two dollars (\$2).

(2) In the case of a rental purchase agreement with monthly renewal dates, the liability waiver fee may not exceed the greater of:

(A) ten percent (10%) of the periodic lease payment disclosed under IC 24-7-3-3(2); or

(B) five dollars (\$5).

(b) The selling or offering for sale of a liability damage waiver under this section is subject to the following prohibitions and requirements:

(1) A lessor may not sell or offer to sell a liability damage waiver unless all restrictions, conditions, and exclusions are:

(A) printed in the rental purchase agreement, or in a separate agreement, in 8 point type or larger; or

(B) written in ink or typewritten in or on the face of the rental purchase agreement in a blank space provided therefor.

(2) The liability damage waiver may exclude only loss or damage to the property that is the subject of the rental purchase agreement caused by moisture, scratches, mysterious disappearance, vandalism, abandonment of the property, or any other damage intentionally caused by the lessee or that results

from the lessee's willful or wanton misconduct.

(3) The liability damage waiver agreement must include a statement of the total charge for the liability damage waiver. The liability damage waiver agreement must display in 8 point boldface type the following:

"NOTICE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL CHARGE, A LIABILITY DAMAGE WAIVER TO COVER YOUR RESPONSIBILITY FOR DAMAGE TO THE PROPERTY. BEFORE DECIDING WHETHER TO PURCHASE THE LIABILITY DAMAGE WAIVER, YOU MAY WISH TO DETERMINE WHETHER YOUR OWN HOMEOWNERS OR CASUALTY INSURANCE AFFORDS YOU COVERAGE FOR DAMAGE TO THE RENTAL PROPERTY, AND THE AMOUNT OF THE DEDUCTIBLE UNDER YOUR OWN INSURANCE COVERAGE. THE PURCHASE OF THIS LIABILITY DAMAGE WAIVER IS NOT MANDATORY AND MAY BE DECLINED."

(4) The restrictions, conditions, and exclusions of the liability damage waiver must be disclosed on the agreement or on a separate agreement, sheet, or handout given to the lessee before entering into the rental purchase agreement. The separate contract, sheet, or handout must be signed or otherwise acknowledged by the lessee as being received before entering into the rental purchase agreement.

(5) The lessor shall keep and maintain records as prescribed by the director of the department. The director of the department may inspect the records and determine whether the rates charged under this section are fair and reasonable.

As added by P.L.42-1993, SEC.17. Amended by P.L.172-1997, SEC.11; P.L.137-2014, SEC.19; P.L.186-2015, SEC.26.

IC 24-7-5-12

Fee for accepting rental payments by telephone

Sec. 12. (a) A lessor may contract for and receive a fee for accepting rental payments by telephone in connection with a rental purchase agreement, if all of the following conditions are met:

(1) The fee is assessed only upon request by the lessee for the underlying payment by telephone service.

(2) The payment by telephone service is not established in advance, under the rental purchase agreement or otherwise, as the expected method for making rental payments under the rental purchase agreement.

(3) The fee does not exceed one dollar and fifty cents (\$1.50).

(4) The lessee retains the right to make rental payments by payment methods in connection with which no additional fee would be assessed or incurred (including in-person payments and payments by mail) as a result of such alternative payment

methods.

(5) The fee is contracted for and disclosed by the lessor in the rental purchase agreement.

(6) The lessor posts a sign at each store location disclosing to existing and prospective lessees:

(A) the amount of the fee;

(B) the lessee's right and option to make rental payments by alternative payment methods and not be assessed or incur an additional fee; and

(C) the alternative payment methods offered by the lessor in connection with which no additional fee would be assessed or incurred.

(7) The lessor's books and records provide an audit trail sufficient to allow the department and its examiners to confirm the lessee's compliance with the conditions listed in subdivisions (1) through (6).

(b) A fee may not be charged under this section unless there is interaction between a live employee or representative of the lessor and the lessee.

As added by P.L.222-2013, SEC.4.