

190.120 Payment in full before maturity.

- (1) If the finance charge applicable to the retail installment contract has been determined by a precomputed method, the retail buyer may pay in full at any time before the stated maturity date and upon such prepayment in full the retail buyer shall receive a refund of a portion of the finance charge not less than the refund computed in accordance with the Rule of 78's. An acquisition cost of twenty-five dollars (\$25) shall be deducted from the finance charge before computation of the refund. Where the refund is less than one dollar (\$1) no refund need be made and acceleration of the balance by the seller, caused by the default of the buyer or otherwise, shall not affect the date of computation. Any balance remaining unpaid as of the stated maturity date shall then be subject to accumulation of additional finance charges at the rate specified in the contract.
- (2) If the finance charge applicable to the retail installment contract has or will be determined by a simple interest method, the retail buyer may pay in full at any time before the stated maturity date without penalty, except that the holder may collect and receive a minimum finance charge of twenty-five dollars (\$25) in any event.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 96, sec. 4, effective July 12, 2012. -- Amended 1984 Ky. Acts ch. 391, sec. 4, effective July 13, 1984. -- Created 1956 Ky. Acts ch. 105, sec. 4, effective July 1, 1956.