

TABLE OF CONTENTS

INTRODUCTION

	Page
I. Background	1
II. Overview of the SCCPC	5
III. Coverage and Exclusions	7
A. Coverage	7
B. Exclusions	10
C. Rates and Charges	13
D. Consumer Protective Devices	15
E. Private and Administrative Remedies	23
F. Summary	26
G. Working With The SCCPC and This Notebook	26

CHAPTER 1

GENERAL PROVISIONS AND DEFINITIONS

Part 1

SHORT TITLE; CONSTRUCTION; GENERAL PROVISIONS

Section		Page
37-1-101	Short title	31
37-1-102	Purposes; rules of construction	33
37-1-103	Supplementary general principles of law applicable	36
37-1-104	Construction against implicit repeal	36
37-1-105	Severability	36
37-1-106	Conflict with Consumer Finance Law	37
37-1-107	Waiver; agreement to forego rights; settlement of claims	37
37-1-108	Effect of title on powers of organizations	39
37-1-109	Change of dollar amounts used in the Consumer Protection Code	40

Part 2

SCOPE AND JURISDICTION

Section		Page
37-1-201	Territorial application	44
37-1-202	Exclusions	49
37-1-203	Jurisdiction and service of process	55

Part 3
DEFINITIONS

Section		Page
37-1-301	General definitions	58
(1)	"Actuarial method"	58
(2)	"Administrator"	58
(3)	"Agreement"	58
(4)	"Agricultural purpose"	58
(5)	"Alternative mortgage loan"	58
(5A)	"Assumption"	58
(6)	"Billing cycle"	59
(7)	"Card holder"	59
(8)	"Card issuer"	59
(9)	"Conspicuous"	59
(10)	"Consumer"	59
(11)	"Consumer credit transaction"	59
(12)	"Credit"	59
(13)	"Creditor"	59
(14)	"Debtor"	60
(15)	"Earnings"	60
(16)	"Lender credit card or similar arrangement"	60
(17)	"Official fees"	60
(18)	"Organization"	61
(19)	"Payable in installments"	61
(20)	"Person"	61
(21)	"Person related to"	61
(22)	"Presumed" or "presumption"	62
(23)	"Residence"	62
(24)	"Residential manufactured home"	62
(25)	"Residential real property"	62
(26)	"Seller credit card"	62
(27)	"Supervised financial organization"	62
(28)	"Debt collector"	63
(29)	"Licensee"	63
(30)	"Cash advance"	63
37-1-302	Definition of "Federal Consumer Credit Protection Act"	68
37-1-303	Index of definitions in this title	69

CHAPTER 2
CREDIT SALES
Part 1
GENERAL PROVISIONS

Section		Page
37-2-101	Short title	75
37-2-102	Scope	75
37-2-103	Index of definitions in chapter	76
37-2-104	"Consumer credit sale" defined	77
37-2-105	"Goods"; "merchandise certificate"; "services"; "sale of goods"; "sale of services"; "sale of an interest in land"; "precomputed" defined	80
37-2-106	"Consumer lease" defined	82
37-2-107	"Seller" defined	84
37-2-108	"Revolving charge account" defined	84
37-2-109	"Credit service charge" defined	84
37-2-110	"Cash price" defined	85
37-2-111	"Amount financed" defined	86

Part 2
MAXIMUM CHARGES

Section		Page
37-2-201	Credit service charge for consumer credit sales	89
37-2-202	Additional charges	95
37-2-203	Delinquency charges	100
37-2-204	Deferral charges	103
37-2-205	Credit service charge on refinancing	108
37-2-206	Credit service charge on consolidation	109
37-2-207	Credit service charge for revolving charge accounts	110
37-2-208	Advances to perform covenants of buyer	113
37-2-209	Right to prepay	113
37-2-210	Rebate upon prepayment	114
37-2-211	Credit service charge for consumer credit sales of motor vehicles- Repealed	119

Part 3
DISCLOSURE AND ADVERTISING

Section		Page
37-2-301	Compliance with Federal Truth in Lending Act	121
37-2-302	Receipts; statements of account; evidence of payment	121
37-2-303	Notice to co-signer or similar party	122
37-2-304	Advertising	125
37-2-305	Filing and posting maximum rate schedule	125
37-2-306	Filing credit card disclosures	131

Part 4
LIMITATIONS ON AGREEMENTS AND PRACTICES

Section		Page
37-2-401	Scope	134
37-2-402	Use of multiple agreements	134
37-2-403	Certain negotiable instruments prohibited	135
37-2-404	Assignee subject to claims and defenses	136
37-2-405	Balloon payments	139
37-2-406	Restriction on liability in consumer lease	140
37-2-407	Security in sales and leases	141
37-2-408	Cross-collateral	144
37-2-409	Debt secured by cross-collateral	145
37-2-410	No assignment of earnings	146
37-2-411	Referral sales and leases	147
37-2-412	Notice of assignment	148
37-2-413	Attorney's fees	148
37-2-414	Limitation on default charges	149
37-2-415	Authorization to confess judgment prohibited	150
37-2-416	Change in terms of revolving charge accounts	151

Part 5
HOME SOLICITATION SALES

Section		Page
37-2-501	Definition: "home solicitation sale"	154
37-2-502	Buyer's right to cancel	155
37-2-503	Form of agreement or offer, statement of buyer's rights	157
37-2-504	Restoration of down payment	158
37-2-505	Duty of buyer; no compensation for services before cancellation	159
37-2-506	Compliance with Federal Trade Commission Trade Regulation Rule	160

Part 6
SALES OTHER THAN CONSUMER CREDIT SALES

Section		Page
37-2-601	Sales subject to title by agreement of parties	162
37-2-605	Credit service charge for other sales	162

Part 7
CONSUMER RENTAL-PURCHASE AGREEMENTS

Section		Page
37-2-701	Definitions	165
37-2-702	Required disclosures; manner of disclosure; when disclosure required	167
37-2-703	Renegotiation; extension of agreement	169
37-2-704	Advertisements; statement of terms	170
37-2-705	Delinquency charges	170
37-2-706	Deposits; delivery charges; pick-up charges	171
37-2-707	Charge for default of lessee	173
37-2-708	Use of note as evidence of consumer's obligation	173
37-2-709	Assignments; claims or defenses	173
37-2-710	Assignment of earnings	174
37-2-711	Lessee's rights and obligations upon assignment	175
37-2-712	Confession of judgment	175
37-2-713	Lessee's right to return property, continue rental, or purchase property before end of rental-purchase agreement	175
37-2-714	Lessee's right to reinstatement of rental-purchase agreement	176

CHAPTER 3
LOANS
Part 1
GENERAL PROVISIONS

Section		Page
37-3-101	Short title	180
37-3-102	Scope	180
37-3-103	Index of definitions in chapter	181
37-3-104	"Consumer loan" defined	182
37-3-105	First mortgage real estate loans	183
37-3-106	"Loan" defined	186
37-3-107	"Lender"; "precomputed"; "principal" defined	187
37-3-108	"Revolving loan account" defined	188
37-3-109	"Loan finance charge" defined	189
37-3-110	Schedule of interest and finance charges to be posted-Repealed	191

Part 2 MAXIMUM CHARGES

Section		Page
37-3-200	Restricted loans and restricted lenders	193
37-3-201	Loan finance charge for consumer loans	193
37-3-202	Additional charges	197
37-3-203	Delinquency charges	202
37-3-204	Deferral charges	204
37-3-205	Loan finance charge on refinancing	207
37-3-206	Loan finance charge on consolidation	207
37-3-207	Conversion to revolving loan account	208
37-3-208	Charges for advance to perform covenants of debtor	209
37-3-209	Right to prepay	210
37-3-210	Rebate upon prepayment	210

Part 3 DISCLOSURE AND ADVERTISING

Section		Page
37-3-301	Application of and compliance with Federal Truth in Lending Act	214
37-3-302	Receipts; statements of account; evidence of payment	214
37-3-303	Notice to co-signer and similar parties	215
37-3-304	Advertising	217
37-3-305	Filing and posting maximum rate schedule	217
37-3-306	Filing credit card disclosures	220

Part 4 LIMITATIONS ON AGREEMENTS

Section		Page
37-3-401	Scope	223
37-3-402	Balloon payments	223
37-3-403	No assignment of earnings	224
37-3-404	Attorney's fees	224
37-3-405	Charges as a result of default prohibited except as authorized by this title	225
37-3-406	Notice of assignment	225
37-3-407	Authorization to confess judgment prohibited	226
37-3-408	Change in terms of revolving loan accounts	226
37-3-409	Use of multiple agreements	227
37-3-410	Lender subject to claims and defenses arising from sales and leases	227
37-3-411	Card issuer subject to claims and defenses	230
37-3-412	Variable interest rate real estate mortgage loans	232

Part 5
SUPERVISED LOANS

Section		Page
37-3-500	Scope	234
37-3-501	Definitions: "supervised loan"; "supervised lender"; "restricted loan"; "restricted lender"	234
37-3-502	Authority to make supervised loans	235
37-3-503	License to make supervised loans	237
37-3-504	Revocation or suspension of license	238
37-3-505	Records; annual reports	240
37-3-506	Examinations and investigations	242
37-3-507	Application of Part on Administrative Procedure and Judicial Review to this part	243
37-3-508	Loan finance charge for supervised loans other than a loan pursuant to a lender credit card or similar arrangements-Repealed	244
37-3-509	Use of multiple agreements	244
37-3-510	Restrictions on interest in land as security	245
37-3-511	Regular schedule of payments; maximum loan term	246
37-3-512	Conduct of business other than making loans	246
37-3-513	Application of other provisions	247
37-3-514	Limitation on attorney's fees	248
37-3-515	Loan renewal limitations	248

Part 6
LOANS OTHER THAN CONSUMER LOANS

Section		Page
37-3-601	Loans subject to this Title by agreement of the parties	251
37-3-602 - 37-3-604	Reserved	252
37-3-605	Loan finance charge for other loans	252

CHAPTER 4
INSURANCE
Part 1
INSURANCE IN GENERAL

Section		Page
37-4-101	Short title	255
37-4-102	Scope	255
37-4-103	"Consumer credit insurance" defined	256

Section		Page
37-4-104	Creditor's provision of and charge for insurance; excess amount of charge	257
37-4-105	Conditions applying to insurance to be provided by creditor	258
37-4-106	Unconscionability	259
37-4-107	Maximum charge by creditor for insurance	260
37-4-108	Refund or credit required; amount	261
37-4-109	Existing insurance; choice of insurer	263
37-4-110	Charge for insurance in connection with a deferral, refinancing or consolidation; duplicate charges	263
37-4-111	Cooperation Between Administrator and Insurance Commissioner	264
37-4-112	Administrative action of Insurance Commissioner	265

Part 2 CONSUMER CREDIT INSURANCE

Section		Page
37-4-201	Term of insurance	267
37-4-202	Amount of insurance	268
37-4-203	Filing and approval of rates and forms	270
37-4-204	Minimum charges and retentions	272

Part 3 PROPERTY AND LIABILITY INSURANCE

Section		Page
37-4-301	Property insurance	274
37-4-302	Insurance on creditor's interest only	275
37-4-303	Liability insurance	275
37-4-304	Cancellation by creditor	275

CHAPTER 5 REMEDIES AND PENALTIES

Part 1 LIMITATIONS ON CREDITORS' REMEDIES

Section		Page
37-5-101	Short title	279
37-5-102	Scope	279
37-5-103	Restrictions on deficiency judgments in consumer credit sales	279
37-5-104	No garnishment	283
37-5-105	Reserved	284
37-5-106	No discharge from employment for garnishment	284

Section		Page
37-5-107	Extortionate extensions of credit	284
37-5-108	Unconscionability; inducement by unconscionable conduct	285
37-5-109	Default	295
37-5-110	Notice of consumer's right to cure	296
37-5-111	Cure of default	299
37-5-112	Creditor's right to take possession after default	301
37-5-113	Venue, complaint, stay of enforcement or relief from default judgment	303
37-5-114	Complaint; proof; entry of default judgment	304
37-5-115	Stay of enforcement of or relief from default judgment	304
37-5-117	Lien, or submission of debt to credit bureau or reporting agency, by health care services provider; notice required; penalties	305

Part 2 DEBTOR'S REMEDIES

Section		Page
37-5-201	Interests in land-Repealed	307
37-5-202	Effect of violations on rights of parties	307
37-5-203	Civil liability for violation of disclosure provisions	312
37-5-204	Debtor's right to rescind certain transactions-Repealed	314
37-5-205	Refunds and penalties as setoff to obligation	314

Part 3 CRIMINAL PENALTIES

Section		Page
37-5-301	Willful violations	316
37-5-302	Disclosure violations	316
37-5-303	Fraudulent use of cards	317

CHAPTER 6 ADMINISTRATION

Part 1 POWERS AND FUNCTIONS OF ADMINISTRATOR

Section		Page
37-6-101	Short title	321
37-6-102	Applicability	322
37-6-103	"Administrator" defined	322
37-6-104	Powers of administrator; harmony with Federal regulations; reliance on rules; duty to report	323

Section		Page
37-6-105	Administrative powers with respect to supervised financial organizations	326
37-6-106	Investigatory powers	327
37-6-107	Application of part on administrative procedure and judicial review	328
37-6-108	Administrator enforcement orders	328
37-6-109	Assurance of discontinuance	331
37-6-110	Injunctions against violations of title	331
37-6-111	Injunctions against unconscionable agreements and fraudulent or unconscionable conduct	332
37-6-112	Temporary relief	334
37-6-113	Civil actions by Administrator	334
37-6-114	Jury trial-Repealed	336
37-6-115	Debtors remedies not affected	336
37-6-116	Venue	337
37-6-117	Administrative responsibilities respecting consumer protection generally	337
37-6-118	Investigation of unfair trade practices in consumer transactions	341

Part 2 NOTIFICATION AND FEES

Section		Page
37-6-201	Applicability	344
37-6-202	Notification	344
37-6-203	Fees	346
37-6-204	Notification; persons making rental-purchase agreements	347

Part 3 COUNCIL OF ADVISORS ON CONSUMER CREDIT

Section		Page
37-6-301	Council of Advisors on Consumer Credit	350
37-6-302	Function of Council; Conflict of interest	350
37-6-303	Meetings	351

Part 4 ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

Section		Page
37-6-401	Applicability and scope	353
37-6-402	"Contested case"; "license"; "licensing"; "party"; "rule" defined	353
37-6-403	Public information; adoption of rules; availability of rules and orders	355

Section		Page
37-6-404	Procedure for adoption of rules	356
37-6-405	Filing and taking effect of rules	357
37-6-406	Publication of rules	357
37-6-407	Petition for adoption of rules	358
37-6-408	Declaratory judgment on validity or applicability of rules	358
37-6-409	Declaratory rulings by Administrator	358
37-6-410	Contested cases; notice; hearing; records	359
37-6-411	Rules of evidence; official notice	361
37-6-412	Decisions and orders	362
37-6-413	Licenses	362
37-6-414	Judicial review of contested cases	363
37-6-415	Appeals	365
37-6-416	Judgments-Repealed	365

Part 5 **DEPARTMENT OF CONSUMER AFFAIRS**

Section		Page
37-6-501	Department of Consumer Affairs; Commission on Consumer Affairs; Administrator	367
37-6-502	Members of Commission on Consumer Affairs; terms; vacancies	367
37-6-503	Quorum; meetings	368
37-6-504	Bonds of Commission members	368
37-6-505	Compensation and expenses of Commission members	369
37-6-506	Powers and duties of Commission	369
37-6-507	Qualifications of Administrator	370
37-6-508	Deputy Administrator	370
37-6-509	Oath and bond of Administrator	371
37-6-510	Personnel	371
37-6-511	Department to maintain file for each creditor of rate schedules filed by creditor; certified copies; fees	371

Part 6 **DIVISION OF CONSUMER ADVOCACY**

Section		Page
37-6-601	Division of Consumer Advocacy created	374
37-6-602	Consumer Advocate; qualifications	374
37-6-603	Staff and expenses	374
37-6-604	Functions and duties of division	374
37-6-605	Access to records of state agencies and to businesses engaged in proceedings before the Public Service commission; procedure	375

Section		Page
37-6-606	Petitions filed by advocate with regulatory agencies in interest of consumers	376
37-6-607	Advocate may maintain actions for judicial review	377
37-6-608	Temporary staff; compensation	377
37-6-609	Discretion as to Consumer Advocate's decisions	377

CHAPTER 7
CONSUMER CREDIT COUNSELING
(Reserved for Future Use)

CHAPTER 8
WAGE EARNER RECEIVERSHIP
(Reserved for Future Use)

CHAPTER 9
EFFECTIVE DATE AND REPEALER

Section		Page
37-9-101	Time of taking effect; provisions for transition	381
37-9-102	Continuation of licensing	383
37-9-103	Relationship between separate subsidiary corporations; obligations of parent and subsidiary	389

CHAPTER 10
MISCELLANEOUS LOAN PROVISIONS

Section		Page
37-10-101	Scope	392
37-10-102	Attorney's fees and other charges on mortgage loans for personal, family or household purposes	392
37-10-103	Mortgage loans of one hundred thousand dollars or less	396
37-10-104	Agricultural loans under twenty-five thousand dollars	398
37-10-105	Penalties for violations	399
37-10-106	Maximum rate of interest; legal rate of interest	400
37-10-107	Certain legal or equitable actions prohibited	401

CHAPTER 11

LICENSING AND REGULATION OF CONTINUING CARE RETIREMENT COMMUNITIES

Section		Page
37-11-10	Short title	404
37-11-20	Definitions	404
37-11-30	Licensing of continuing care retirement community	405
37-11-35	Continuing care contract requirements	409
37-11-40	Determination of financial responsibility of applicant for license	409
37-11-50	Eligibility for license	410
37-11-60	Disclosure requirements; retirement community complaint system	410
37-11-70	Itemized billing requirements	411
37-11-80	Regulations; examination of affairs of retirement community and health care providers; communities and providers to submit books and records	411
37-11-90	Certain entrance fees to be placed in escrow account; release of funds; exemptions from provisions of this section	412
37-11-95	Approval required prior to declaring or distributing dividend or similar distribution	413
37-11-100	Denial, suspension, or revocation of license; monetary penalties for violations	414
37-11-105	Financial plan in case of insolvency or danger of insolvency; penalty for failure to implement approved plan	414
37-11-110	Appeals by applicants	415
37-11-120	Injunctions; criminal penalties	415
37-11-130	Waiver of certain requirements for certain retirement communities	415
37-11-135	Exemptions	416
37-11-140	Effective date of application of certain provisions of chapter to certain continuing care retirement communities	416

CHAPTER 13

REGULATION OF THE SUBLEASING AND LOAN ASSUMPTION OF MOTOR VEHICLES

Section		Page
37-13-10	Definitions	418
37-13-20	Unlawful acts	419
37-13-30	Violation by other person not a defense to prosecution of sublease arranger; sublease arranger may not shift duties	420
37-13-40	Civil penalties for violation of chapter; remedies	420
37-13-50	Criminal penalties for violations of chapter	421
37-13-60	Promulgation of regulations by Department of Consumer Affairs	421

Section		Page
37-13-70	Education of public and enforcement of chapter by Department of Consumer Affairs	421
37-13-80	Promulgation of regulations as to licensing requirements; licensing fee	422
37-13-90	Rights and remedies herein in addition to other rights and remedies	422

CHAPTER 15 PRIZES AND GIFTS

Section		Page
37-15-10	Short title	424
37-15-20	Definitions	424
37-15-30	Restrictions on representation that a person has won a prize or contest	424
37-15-40	Form and content of disclosures required as prerequisites to representation that person has chance to win something; exceptions; publisher of violative material not liable	425
37-15-50	Restriction of representation that person has been specially selected	427
37-15-60	Use of simulated checks or invoices restricted	427
37-15-70	Payment of excessive shipping or handling charges as precondition of receipt of gift or prize prohibited	427
37-15-80	Civil actions to enforce chapter; costs	428
37-15-90	Violation of this chapter is unfair trade practice	428
37-15-100	Procedures exempted from application of sections 37-15-40 through 37-15-70	428

Appendix A SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS REGULATIONS

Index	A-ii
Regulations	A-1

Appendix B SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS ADMINISTRATIVE INTERPRETATIONS AND DECLARATORY RULINGS

Index	B-ii
Administrative Interpretations	B-1

Appendix C CONSUMER FINANCE PAMPHLET

Instruction Memo	C-ii
Pamphlet	C-1

