

## CLOSING FEES

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#### **120-1-16-.01 Statutory Authority**

This Regulation is made and promulgated by the Industrial Loan Commissioner pursuant to O.C.G.A. §§7-3-7 and 13-1-14.

#### **120-1-16-.02 Purpose**

The purpose of this Regulation is to establish procedures for the charging of Closing Fees related to the advance of money or the extension of credit offered pursuant to Chapter 3 of Title 7 of the Official Code of Georgia Annotated.

#### **120-1-16-.03 Closing Fee Charges**

(a) In addition to any other charges permitted for the advance of money or the extension of credit, a lender may collect a closing fee at the time of the making a loan or extending credit in order to defray the costs of investigating and verifying a borrower's credit history, residences, references, employment, or sources of income. Such closing fee may be for an amount up to 4 percent of the face amount of the loan or credit extension but shall not be more than \$50.00. Such closing fee may be paid from the proceeds of the amount borrowed or added to the principal amount of the loan or credit extension.

(b) When any loan upon which a closing fee has been charged is prepaid in full by any means within 90 days of the date of the loan, the lender shall refund or credit the borrower with a pro rata portion of the closing fee; provided, however, that in such event, the lender may retain an amount of not more than \$25.00 from the collected closing fee. The pro rata portion of the closing fee shall be calculated on a daily basis for the term of the loan. The lender shall not be required to refund closing fees if the calculated closing fee refund is less than \$25.00.

**120-1-16-.04 Licensee Eligibility to Charge Closing Fee**

No licensee under this chapter may collect a closing fee unless, prior to the advance of money or the extension of credit, such licensee conducted an investigation or verification of the borrower's credit history, residences, references, employment, or sources of income. Moreover, each licensee shall retain on file the procedures that the licensee uses to conduct such investigations and verifications.

**120-1-16-.05 Location of Closing Fee on Contract**

The amount of the closing fee shall be listed on the contract after the loan fees (8% and 4%) but before the maintenance charge fee.

**120-1-16-.06 Applicability of Usury Law**

Nothing contained in O.C.G.A. §7-4-18 shall be construed to amend or modify the provisions of this Regulation.

**120-1-16-.07 Severability**

If any provision of this Regulation Chapter or the application thereof to any person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, the remainder of the Regulation Chapter or applicability of such provision to other persons or circumstances shall not be affected.