APPENDIX B

Changes in State Lending Laws: 2017 to Mid-2023

Major changes in the states from 2017 to mid-2023 are summarized in the table below.

Table: Significant State Changes from 2017 to Mid-2023

STATE	CHANGES
Alabama	Authorized another junk fee: a closing fee of 4% or $50, whichever is less, for loans of up to $1,500. (2022 H.B. 335).
California	Capped APRs for loans between $2,500 and $10,000 (previously there was no cap); APR for loan of $2,600 is capped at 41%. (2019 A.B. 539).
Colorado	Reduced the allowable finance charges for small short-term loans, and opted out of a federal law that allowed certain out-of-state banks to ignore Colorado's interest rate caps when making loans in Colorado. (2023 H.B. 23-1229). Capped APR for payday installment loans at 36%. (2019 Prop. 111).
Connecticut	Strengthened the provision that the state's 36% APR cap encompasses all amounts a consumer pays in connection with the loan, and tightened restrictions on rent-a-bank lending. (2023 S.B. 1033).
Hawaii	Replaced payday loan law with a law allowing larger and longer high-rate loans, e.g. 146% on a six-month $500 loan. (2021 H.B. 1192).
Illinois	Capped APR for all non-bank loans at 36%, calculated using the Military Lending Act methodology. (2020 S.B. 1792).
Indiana	Increased a $50 junk fee to $75-$200, depending on the size of the loan (2020 S.B. 395).
Iowa	Increased allowable APR for $2,000 two-year loan from 31% to 36% in 2017 by revising a state regulation, Iowa Admin. Code r. 187-15.13(3).
Maine	Added a strong anti-evasion provision, targeted at rent-a-bank lending. (2021 L.D. 522 (S.P. 205)).
Minnesota	Added strong protections against evasions of its lending laws, and imposed a 50% APR cap for certain small short-term loans. (2023 S.F. No. 2744).
Mississippi	Extended sunset date of its "Credit Availability Act," which allows highly abusive installment lending, with interest rates of 300% on four- to 12-month loans of up to $2,500. (2021 H.B. 1075).
New Mexico	Capped interest on installment loans at 36%, plus, for loans of $500 or less, a fee of 5% of the loan amount. (2022 H.B. 132). In 2017 it had capped APRs for consumer loans of $5,000 or less at 175%. (2017 H.B. 347). Formerly, there was no cap.

STATE	CHANGES
North Carolina	Weakened its protections against high-cost lending by increasing both the maximum interest rate (from 30% to 33%) and a junk "processing" fee (from $25 to $30) for loans of 12 months or more for up to $12,000. (2023 S.B. 331).
North Dakota	Imposed a 36% APR cap on all non-bank loans in the state. (2021 S.B. 2013).
Ohio	Closed loopholes for fees that made rate caps ineffective, although the law still allows very high rates for loans of $1,000 or less. (2017 Sub. H.B. 199).
Oklahoma	Increased the maximum interest rate for consumer loans under one of its lending laws from 32% to 32% plus the federal funds rate. (2023 Okla. Sess. Law Serv. Ch. 67 (S.B. 794)). 2022: Expanded one of its high-cost loan laws to apply to installment loans of up to $3,450. Formerly, it applied only to loans of $620 or less. (2022 Okla. Sess. Law Serv. Ch. 207 (S.B. 1687)). 2021: Raised allowable interest rate from 27% to 32% on the installment loans that this report covers, and allowed non-bank lenders to add a junk fee of $28.85 (increased to $184.64 in 2024 under a provision requiring an inflation adjustment with 1973 as the base year). (2021 Okla. Sess. Law Serv. Ch. 142 (S.B. 796)). 2019: Increased allowable APR for $500 six-month loan from 108% to 204%. (2019 Okla. Sess. Law Serv. Ch. 89 (S.B. 720)).
Tennessee	Increased junk fees that non-bank lenders can charge. (2021 S.B. 344).
Virginia	Closed a loophole that payday lenders were using to evade the state's rate caps, but greatly increased the caps for non-bank installment loans. (2020 H.B. 789).
Wyoming	Repealed the distinction between "supervised loans" and other loans, thereby allowing higher interest rates to be charged on more loans, without special protections. (2021 H.B. 8).