



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code: Section:

[Up^](#) [Add To My Favorites](#)

CIVIL CODE - CIV

DIVISION 3. OBLIGATIONS [1427 - 3273.69] (*Heading of Division 3 amended by Stats. 1988, Ch. 160, Sec. 14.*)

PART 4. OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS [1738 - 3273.69] (*Part 4 enacted 1872.*)

TITLE 1.83. PRECOMPUTED INTEREST [1799.5 - 1799.6] (*Title 1.83 added by Stats. 1979, Ch. 805.*)

1799.5. (a) "Precomputed interest" means interest, as that term is contemplated by the Truth in Lending Act, 15 United States Code 1605(a)(1), which is (1) computed by multiplying the original balance of the loan by a rate and multiplying that product by the number of payment periods elapsing between the date of the loan and the date of the last scheduled payment and (2) either added to the original principal balance of the loan in advance or subtracted from the loan proceeds.

(b) No loan which is made to a natural person primarily for personal, family, or household purposes shall provide for the payment of precomputed interest if the date on which the final installment is due, according to the original terms of the loan, is more than 62 months after the date of the loan.

(c) For purposes of determining whether a loan is covered by this title, the lender may conclusively rely on any written statement of intended purpose signed by the borrower. Such written statement may be a separate statement signed by the borrower or may be contained in a loan application or other document signed by the borrower.

(d) For purposes of this title, the term "loan" does not include the forbearance of a debt arising from a sale or lease of property and does not include any loan arising under an open end credit plan.

(e) This title shall apply only to loans made on or after January 1, 1983.

(*Amended by Stats. 1980, Ch. 1380, Sec. 2. Effective October 1, 1980.*)

1799.6. Any waiver of the provisions of this title is contrary to public policy, and is void and unenforceable.

(*Added by Stats. 2002, Ch. 815, Sec. 17. Effective January 1, 2003.*)