

9431 Bradmore Lane, Suite 201, Ooltewah, TN, 37363

Direct: (423) 490-7567 • Main: (423) 490-7560 • Toll Free: (888) 422-7529 • Fax: (410) 684-2001 • Email: dwilson@hudco.com

**MEMORANDUM**

**To:** Medpay

**From:** H. Blake Sims

K. Dailey Wilson

*Admitted in Georgia and Tennessee Only*

**Date:** July 10, 2020

**Subject:** Florida Licensing Applicability

**Facts:** As part of a “healthy living” subscription service, MedPay offers a line of credit product used to finance medical services. The interest rate on the line of credit product is 0% per annum and no other fees are charged on the line of credit. The line of credit will be repayable in more than four installments. The consumer will pay a subscription fee. However, for purposes of this memo, you asked that we assume the subscription fee will not be deemed a finance charge under either state or federal law. You have asked us to analyze whether MedPay will need a license under Florida law to offer the described product.

**Short Answer:** In short, no license is required to provide MedPay’s line of credit product under Florida law. The Florida Consumer Finance Act only applies to loans with interest rates greater than 18%.

**Analysis:** Florida’s Consumer Finance Act provides an optional licensing regime under which licensed consumer finance companies can make loans of \$25,000 or less at an interest rate greater than the general usury cap of 18%. Fla. Stat. Ann. § 516.02. “Consumer finance loan” means a loan of money, credit, goods, or choses in action, including, except as otherwise specifically indicated, provision of a line of credit, in an amount or to a value of \$25,000 or less for which the lender charges, contracts for, collects, or receives interest at a rate greater than 18 percent per annum. Fla. Stat. Ann. § 516.01. A license is not required to make loans of 18% or less. Fla. Stat. Ann. §§ 687.01 *et seq.*

Accordingly, MedPay will not need to obtain a Consumer Finance Act licensee to make the contemplated lines of credit. No other consumer credit license is otherwise required to make loans of 18% per less under Florida law.