

537.2202 Finance charge for consumer credit sales pursuant to open-end credit.

1. With respect to a consumer credit sale made pursuant to open-end credit, a creditor may contract for and receive a finance charge without limitation as to amount or rate as permitted in [this section](#).

2. For each billing cycle, a charge may be made which is a percentage of an amount not exceeding the greatest of the following:

a. The average daily balance of the open-end account in the billing cycle for which the charge is made, which is the sum of the amount unpaid each day during that cycle, divided by the number of days in that cycle. The amount unpaid on a day is determined by adding to the balance, if any, unpaid as of the beginning of that day all purchases and other debits and deducting all payments and other credits made or received as of that day.

b. The balance of the open-end account at the beginning of the first day of the billing cycle, after deducting all payments and credits made in the cycle except credits attributable to purchases charged to the account during the cycle.

c. The median amount within a specified range including the balance of the open-end account not exceeding that permitted by paragraph “a” or “b”. A charge may be made pursuant to this paragraph only if the creditor, subject to classifications and differentiations the creditor may reasonably establish, makes the same charge on all balances within the specified range and if the percentage when applied to the median amount within the range does not produce a charge exceeding the charge resulting from applying that percentage to the lowest amount within the range by more than eight percent of the charge on the median amount.

[C75, 77, 79, 81, §537.2202]

[84 Acts, ch 1237, §1](#); [97 Acts, ch 187, §2, 3](#); [98 Acts, ch 1100, §73](#); [2018 Acts, ch 1041, §127](#)

Referred to in [§535.11](#), [537.2506](#)