

1 IN THE HOUSE

BY MESSRS. STRATTON, STRANDBERG,  
KENDALL AND JARVELA

2 HOUSE BILL NO. 231

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act to permit banks in Alaska to make  
7 loans of up to \$1,000.00 at interest rates  
8 one-half those now permitted to be charged by  
9 small loan companies; amending Ch. 48, SLA  
10 1951."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 Section 1. Ch. 48, SLA 1951 is amended by adding a new Sec.  
13 1A to read:

14 Sec. 1A. LOAN BY BANKS IN AMOUNTS NOT TO EXCEED  
15 \$1,000.00. Lenders of money, either upon the security of  
16 personal property or otherwise, doing a banking business un-  
17 der the laws of this state may, in the case of a loan of  
18 \$1,000.00 or less, repayable in two years or less, charge,  
19 contract for, and receive thereon interest at a rate not  
20 exceeding two per cent per month on that part of the unpaid  
21 principal balance of a loan not in excess of \$300.00, one and  
22 one-fourth per cent interest per month on any remainder of  
23 any unpaid principal balance exceeding \$300.00, but not ex-  
24 ceeding \$600.00, and one per cent per month on any remainder  
25 of any unpaid principal balance exceeding \$600.00, but not  
26 exceeding \$1,000.00. The interest may not be paid, deducted,  
27 or collected in advance. If the unpaid balance is reduced or  
28 the loan paid off before the time specified in the original  
29 loan agreement by cash payment, renewal or otherwise,

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interest may be charged only on the unpaid balance. Interest is computed to the day of any payment. No additional amount shall be charged or contracted for, directly or indirectly, or in connection with any loan made under this section, except as described in Subsecs. (a), (b), and (c) of Sec. 1 of this Act. However, a lender is entitled to charge, for any loan made, at least that sum of money set forth in Sec. 1 of this Act as a minimum charge.