

Introduced: 1/24/67
Referred: Commerce and
Judiciary

1 IN THE HOUSE

BY FINK

2 HOUSE BILL NO. 34

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Retail Installment Sales
7 Act."

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

9 * Section 1. AS 45.10.120 is amended to read:

10 Sec. 45.10.120. EXTENT OF SERVICE CHARGE. (a) The service charge
11 shall include all charges incident to investigating and making the
12 retail installment contract or charge agreement and for the privilege
13 of making the installment payments under the contract or agreement. No
14 other fee, interest, expense, or charge may be taken, received, reserved,
15 or contracted for investigating and making the contract or agreement,
16 or for the privilege of making the payments.

17 (b) A seller or holder of a retail installment contract may
18 charge, receive and collect a service charge which shall not exceed the
19 following rates multiplied by the number of months, including a fraction
20 of a month in excess of 15 days as one month, elapsing between the date
21 of the contract and the due date of the last installment,

22 (1) if [ON SO MUCH OF] the unpaid balance [AS] does not
23 exceed \$10,000, [\$1,000,] one-half [FIVE-SIXTHS] of one per cent;

24 (2) if the unpaid balance exceeds \$10,000, [\$1,000, ON SO
25 MUCH OF THE UNPAID BALANCE AS EXCEEDS \$1,000,] one-third [TWO-THIRDS]
26 of one per cent;

27 (3) if the total service charge so computed is less than
28 \$12, \$12, but if the due date of the last installment of the contract
29 is eight months or less after its effective date, \$10.

1 (c) A seller or holder of a retail charge agreement, revolving
2 charge agreement or other retail charge agreement may charge, receive
3 and collect a service charge not to exceed the following rates computed
4 on the outstanding balances from month to month,

5 [(1) ON SO MUCH OF THE OUTSTANDING BALANCE AS DOES NOT EXCEED
6 \$1,000, ONE AND ONE-HALF PER CENT PER MONTH;]

7 (2) [IF THE OUTSTANDING BALANCE IS MORE THAN \$1,000,] one
8 per cent per month on [THE EXCESS OVER \$1,000 OF] the outstanding
9 balance;

10 (3) if the service charge so computed is less than \$1 for
11 any month, \$1;

12 (4) the service charge may be computed on a schedule of
13 fixed amounts if as so computed it is applied to all amounts of out-
14 standing balances equal to the fixed amount minus a differential of not
15 more than \$5 provided that it is also applied to all amounts of out-
16 standing balances equal to the fixed amount plus at least the same
17 differential.

18 (d) Each installment contract shall additionally prominently
19 display on its face the service charge as a percentage substantially
20 reflecting the service charge in terms of the effective annual simple
21 interest rate.