

Original sponsors: Fink and Fritz

Offered: 2/20/67
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR 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 re-
12 tail installment contract or charge agreement and for the privilege of
13 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
19 the following rates multiplied by the number of months, including a
20 fraction of a month in excess of 15 days as one month, elapsing between
21 the date of the contract and the due date of the last installment,

22 (1) if [ON SO MUCH OF] the unpaid balance as does not ex-
23 ceed \$10,000, seven-twelfths [\$1,000, FIVE-SIXTHS] of one per cent;

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

27 (3) on contracts with an original balance under \$300, a
28 contract fee of \$10 may be added. This fee shall not be considered as
29 part of the service fee for purposes of sec. 70 of this chapter or (d)

1 of this section [IF THE TOTAL SERVICE CHARGE SO COMPUTED IS LESS THAN
2 \$12, \$12, BUT IF THE DUE DATE OF THE LAST INSTALLMENT OF THE CONTRACT
3 IS EIGHT MONTHS OR LESS AFTER ITS EFFECTIVE DATE, \$10].

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

8 (1) on so much of the outstanding balance as does not exceed
9 \$300 [\$1,000], one and one-fourth [ONE-HALF] per month;

10 (2) if the outstanding balance is more than \$300 [\$1,000],
11 one per cent per month [ON THE EXCESS OVER \$1,000 OF THE OUTSTANDING
12 BALANCE];

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

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

21 (d) Each installment contract and retail charge agreement shall
22 additionally prominently display on its face the service charge as a
23 percentage substantially reflecting the service charge in terms of the
24 effective annual simple interest rate.

25 * Sec. 2. This Act shall be effective only as to new installment con-
26 tracts and balances on revolving accounts after the actual effective date of
27 the Act.