

Original sponsor: Commerce Committee

Offered: 4/10/72
Referred: Rules

1 IN THE SENATE BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 360

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to small loans."

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

8 * Section 1. AS 06.20.260 is amended to read:

9 Sec. 06.20.260. CHARGES PROHIBITED. (a) No further or other
10 charge or amount for any examination, service, brokerage commission,
11 expense, fee, or bonus or other thing or otherwise shall be directly
12 or indirectly charged, contracted for or received except

13 (1) lawful fees actually paid out by the licensee to a
14 public officer for filing, recording, or releasing any instrument
15 securing the loan, or for transferring certificate of title to a motor
16 vehicle securing the lien or noting a lien on that certificate;

17 (2) premiums actually paid out for credit insurance on the
18 life [OR PLEDGED PROPERTY] of the borrower or the spouse of the
19 borrower or for credit disability insurance or insurance on pledged
20 property;

21 (3) taxable costs and expenses to which the licensee becomes
22 entitled under general law in any court proceedings to collect a loan
23 or to realize on the security after default;

24 (4) a fee not exceeding \$3 for each default.

25 (b) A licensee may collect the charges permitted under (a) of
26 this section at the time when the loan is made or at any time there-
27 after. If any interest, consideration or charges in excess of those
28 permitted by sec. 230 of this chapter are charged, contracted for or
29 received, except as the result of an accidental and bona fide error

1 in computation, the contract of loan is modified as follows: all
2 interest, consideration or charges involved are voided and a like amount
3 credited to the debtor on the principal of the loan. If the unpaid
4 principal is less than the total of the interest, consideration and
5 charges, the difference shall be refunded by the lender to the borrower.
6 No licensee may be held liable in an action brought under this chapter
7 for a violation if the licensee shows that the violation was not inten-
8 tional and resulted from a bona fide error notwithstanding the mainte-
9 nance of procedures reasonably adopted to avoid that error and if the
10 licensee corrects the error within 30 days, after it is brought to the
11 licensee's attention. A gain or advantage to the licensee or an
12 employee, affiliate or associate of the licensee from the sale, provi-
13 sion or obtaining of insurance as authorized by this section is not an
14 additional charge or a violation of this section.

15 * Sec. 2. AS 06.20 is amended by adding a new section to read:

16 Sec. 06.20.305. PURCHASE AND TRANSFER OF LOANS. A loan legally
17 made by the small loan company in a state or territory of the United
18 States may be purchased by or transferred to a small loan company
19 licensed in the state and be enforced under this chapter according to
20 the original terms of the loan although its unpaid balance then exceeds
21 \$1,500, upon the borrower becoming a resident of the state. If the
22 loan is extended or rewritten it then must comply with the provisions
23 of this chapter.
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