

Introduced: 1/18/73  
Referred: Commerce and  
Judiciary

1 IN THE HOUSE

BY FINK AND HUBER

2 CS HOUSE BILL NO. 93

3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the method of computation of  
7 interest on extensions of credit."

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

9 \* Section 1. AS 45.45 is amended by adding a new section to read:

10 Sec. 45.45.055. COMPUTATION OF INTEREST. (a) A financial insti-  
11 tution extending credit may compute or precompute interest or service  
12 charges or penalties in any method desired so long as the effective  
13 rate does not exceed the contract rate or, if no contract rate, the  
14 legal rate based on a 365-day year. Use of a method of computation  
15 which results in an effective rate of interest which exceeds the con-  
16 tract rate or, if no contract rate, the legal rate, shall void all  
17 interest and service charges for that loan or extension of credit.

18 (b) If interest or service charges greater than those prescribed  
19 in (a) of this section are received or collected, the person paying  
20 them may obtain, by an action brought within two years, recovery of  
21 the charges paid to date, and cancellation of the charges for the  
22 remainder of the term of the loan or extension of credit. Additionally,  
23 he may recover a civil penalty of \$500, less the amount of interest  
24 and service charges refunded or cancelled.

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