

Original sponsor: Labor and Commerce
Committee by request

Offered: 4/8/82
Referred: Rules

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 524 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to small loans; and providing for an
7 effective date."

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

9 * Section 1. AS 06.20.230(a) is amended to read:

10 (a) A licensee may lend any sum of money not exceeding \$25,000 and
11 may charge, contract for, and receive on the loan interest at a rate not
12 exceeding three percent a month on that part of the unpaid principal
13 balance of a loan not in excess of \$1,000 [\$500]; two percent a month on
14 the [REMAINDER OF ANY] unpaid principal balance exceeding \$1,000 [\$500]
15 but not exceeding \$10,000 [\$1,000;] and at a rate agreed by contract
16 [ONE PERCENT A MONTH] on the remainder of any unpaid principal balance
17 exceeding \$10,000 [\$1,000] but not exceeding \$25,000. [ON LOANS THE
18 PRINCIPAL OF WHICH IS \$50 OR LESS A LICENSEE MAY CHARGE, CONTRACT AND
19 RECEIVE INTEREST AT A RATE NOT EXCEEDING FIVE PERCENT A MONTH.]

20 * Sec. 2. AS 06.20.230(b) is amended to read:

21 (b) Notwithstanding the provisions of (a) of this section, a
22 licensee who makes open-end loans under this chapter may charge, con-
23 tract for, and receive interest at a rate not exceeding three percent
24 a month on that part of the unpaid principal balance of a loan not in
25 excess of \$1,000; two percent a month on the unpaid principal balance
26 exceeding \$1,000 but not exceeding \$10,000, and at a rate agreed by
27 contract on the remainder of any unpaid principal balance [OR WHO MAKES
28 A LOAN UNDER THIS CHAPTER] exceeding \$10,000 [\$5,000] but not exceeding
29 \$25,000 [MAY ELECT TO CHARGE, CONTRACT FOR, AND RECEIVE INTEREST NOT TO

1 EXCEED THE GREATER OF

2 (1) ONE AND ONE-HALF PERCENT A MONTH; OR

3 (2) EIGHT PERCENTAGE POINTS ABOVE THE FEDERAL RESERVE DISCOUNT
4 RATE ON 90-DAY COMMERCIAL PAPER CHARGED TO BANKS FOR ADVANCES BY THE
5 12TH FEDERAL RESERVE DISTRICT ON THE FIRST DAY OF THE MONTH BEFORE THE
6 CALENDAR QUARTER DURING WHICH THE LOAN IS MADE].

7 * Sec. 3. AS 06.20.260 is amended by adding a new paragraph to read:

8 (6) a late payment fee of not more than 10 percent of the
9 payment that is due or \$15, whichever is less.

10 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
11 070(c).