

Introduced: 2/11/82
Referred: Labor & Commerce and
Finance

1 IN THE SENATE

BY THE SPECIAL COMMITTEE
ON BANKING BY REQUEST

2 SENATE BILL NO. 750

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

6 A BILL

6 For an Act entitled: "An Act relating to the deregulation of interest rates;
7 and providing for an 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
12 agreed on by contract [NOT EXCEEDING THREE PERCENT A MONTH ON THAT PART
13 OF THE UNPAID PRINCIPAL BALANCE OF A LOAN NOT IN EXCESS OF \$500; TWO
14 PERCENT A MONTH ON THE REMAINDER OF ANY UNPAID PRINCIPAL BALANCE EXCEED-
15 ING \$500 BUT NOT EXCEEDING \$1,000; AND ONE PERCENT A MONTH ON THE RE-
16 MAINDER OF ANY UNPAID PRINCIPAL BALANCE EXCEEDING \$1,000 BUT NOT EX-
17 CEEDING \$25,000. ON LOANS THE PRINCIPAL OF WHICH IS \$50 OR LESS A
18 LICENSEE MAY CHARGE, CONTRACT AND RECEIVE INTEREST AT A RATE NOT EXCEED-
19 ING FIVE PERCENT A MONTH].

20 * Sec. 2. AS 06.40.120(c) is amended to read:

21 (c) The service charge may not exceed interest at a rate agreed on
22 by contract. A [THE NOMINAL ANNUAL RATE OF 15 PERCENT PLUS AN ADD-
23 ITIONAL CHARGE OF \$10 PER PREMIUM FINANCE AGREEMENT WHICH NEED NOT BE
24 REFUNDED UPON CANCELLATION OR PREPAYMENT. HOWEVER, ANY] borrower may
25 prepay his premium finance agreement in full at any time before the due
26 date of the final payment and in that event the unearned service charge
27 shall be refunded. The amount of any refund shall be calculated in
28 accordance with regulations adopted by the commissioner.

29 * Sec. 3. AS 09.55.440(a) is amended to read:

1 (a) Upon the filing of the declaration of taking and the deposit
2 with the court of the amount of the estimated compensation stated in the
3 declaration, title to the estate as specified in the declaration vests
4 in the plaintiff, and that property is condemned and taken for the use
5 of the plaintiff, and the right to just compensation for it vests in the
6 persons entitled to it. The compensation shall be ascertained and
7 awarded in the proceeding and established by judgment. The judgment
8 shall include lawful interest [AT THE RATE OF SIX PERCENT PER YEAR] on
9 the amount finally awarded which exceeds the amount paid into court
10 under the declaration of taking. The interest runs from the date title
11 vests to the date of payment of the judgment.

12 * Sec. 4. AS 45.10.120(b) is amended to read:

13 (b) A seller or holder of a retail installment contract may charge,
14 receive and collect a service charge on the outstanding balance at a
15 rate agreed on by contract [WHICH SHALL NOT EXCEED THE FOLLOWING RATES
16 MULTIPLIED BY THE NUMBER OF MONTHS, INCLUDING A FRACTION OF A MONTH IN
17 EXCESS OF 15 DAYS AS ONE MONTH, ELAPSING BETWEEN THE DATE OF THE CONTRACT
18 AND THE DUE DATE OF THE LAST INSTALLMENT,

19 (1) ON SO MUCH OF THE UNPAID BALANCE AS DOES NOT EXCEED
20 \$1,000, FIVE-SIXTHS OF ONE PERCENT;

21 (2) IF THE UNPAID BALANCE EXCEEDS \$1,000, ON SO MUCH OF THE
22 UNPAID BALANCE AS EXCEEDS \$1,000, TWO-THIRDS OF ONE PERCENT;

23 (3) IF THE TOTAL SERVICE CHARGE SO COMPUTED IS LESS THAN \$12,
24 BUT IF THE DUE DATE OF THE LAST INSTALLMENT OF THE CONTRACT IS EIGHT
25 MONTHS OR LESS AFTER ITS EFFECTIVE DATE, \$10].

26 * Sec. 5. AS 45.10.120(c) is amended to read:

27 (c) A seller or holder of a retail charge agreement, revolving
28 charge agreement or other retail charge agreement may charge, receive
29 and collect a service charge at a rate agreed on by contract [NOT TO

1 EXCEED THE FOLLOWING RATES COMPUTED] on the outstanding balance [BALANCES
2 FROM MONTH TO MONTH,

3 (1) ON SO MUCH OF THE OUTSTANDING BALANCE AS DOES NOT EXCEED
4 \$1,000, ONE AND ONE-HALF PERCENT PER MONTH;

5 (2) IF THE OUTSTANDING BALANCE IS MORE THAN \$1,000, ONE-
6 TWELFTH OF THE ANNUAL RATE PERMITTED UNDER AS 45.45.010(b) PER MONTH ON
7 THE EXCESS OVER \$1,000 OF THE OUTSTANDING BALANCE;

8 (3) IF THE SERVICE CHARGE SO COMPUTED IS LESS THAN \$1 FOR ANY
9 MONTH, \$1;

10 (4) THE SERVICE CHARGE MAY BE COMPUTED ON A SCHEDULE OF FIXED
11 AMOUNTS IF AS SO COMPUTED IT IS APPLIED TO ALL AMOUNTS OF OUTSTANDING
12 BALANCES EQUAL TO THE FIXED AMOUNT MINUS A DIFFERENTIAL OF NOT MORE THAN
13 \$5 PROVIDED THAT IT IS ALSO APPLIED TO ALL AMOUNTS OF OUTSTANDING
14 BALANCES EQUAL TO THE FIXED AMOUNT PLUS AT LEAST THE SAME DIFFERENTIAL].

15 * Sec. 6. AS 45.45.010(a) is amended to read:

16 (a) The rate of interest in the state is 10.5 percent a year and
17 no more on money after it is due except as provided by express agreement
18 of the parties in a contract or loan commitment [IN (b) OF THIS SECTION].

19 * Sec. 7. AS 06.20.230(b) and (c), AS 06.45.060(5)(A)(vi), and AS 45.-
20 45.010(b) are repealed.

21 * Sec. 8. In accordance with sec. 501(b)(2) of P.L. 96-221, 94 Stat. 162,
22 the provisions of sec. 501(a)(1) of P.L. 96-221, 94 Stat. 161, do not apply
23 with respect to loans, mortgages, credit sales, and advances made in this
24 state.

25 * Sec. 9. In accordance with sec. 512 of P.L. 96-221, 94 Stat. 164, the
26 provisions of sec. 511 of P.L. 96-221, 94 Stat. 164, as amended by P.L.
27 96-399, 94 Stat. 1614, do not apply to business and agricultural loans made
28 in this state.

29 * Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-

1 070(c).

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