

Offered: 3/15/85  
Referred: Judiciary

Original sponsors: Duncan, Pearce,  
Ringstad and Boucher

BY THE HOUSE SPECIAL  
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

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CS FOR HOUSE BILL NO. 217 (Loans)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to interest rates; and providing for  
an effective date."

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

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\* Section 1. AS 06.20.320(a) is amended to read:

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(a) A licensee or lender who, in the making or collection of a

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loan contract, does any act that [WHICH] violates AS 06.20.230 -

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06.20.260 or 06.20.280 - 06.20.310 shall at the option of the commis-

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sioner reimburse the portion of the interest and charges in excess of

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that provided in those sections, or, in the case of repeated viola-

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tions of those sections by the licensee, the commissioner may, upon a

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hearing, require the licensee to adjust the loan contract interest or

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other charges down to 10.5 percent a year [THE CONTRACT INTEREST

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LIMITATION SPECIFIED IN AS 45.45.010(a)].

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\* Sec. 2. AS 06.40.160(a) is amended to read:

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(a) A lender who, in the making of any contract, loan or premium

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finance agreement or the collection of interest or charges, does any

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act that [WHICH] violates AS 06.40.010, 06.40.020, 06.40.090, or

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06.40.110 - 06.40.130 shall at the option of the commissioner reim-

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burse that portion of the interest and charges in excess of that

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provided in those sections, or, in the case of repeated violations of

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those sections by the lender, the lender shall adjust the contract,

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loan, or premium finance agreement interest and other charges down to

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10.5 percent a year [THE CONTRACT INTEREST LIMITATION SPECIFIED IN

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AS 45.45.010(a)].

1 \* Sec. 3. AS 06.45.060(5)(A)(vi) is amended to read:

2 (vi) the rate of interest may not exceed [THE  
3 GREATER OF] 15 percent a year [OR THE RATE SPECIFIED BY  
4 AS 45.45.010(b)];

5 \* Sec. 4. AS 45.10.120(c) is repealed and reenacted to read:

6 (c) A seller or holder of a retail charge agreement, revolving  
7 charge agreement or other retail charge agreement may charge, receive  
8 and collect a service charge at a rate of 1.5 percent a month computed  
9 on the outstanding balance from month to month. If the service charge  
10 so computed is less than \$1 for any month, then the service charge is  
11 \$1. The service charge may be computed on a schedule of fixed amounts  
12 if as so computed it is applied to all amounts of outstanding balances  
13 equal to the fixed amount minus a differential of not more than \$5  
14 provided that it is also applied to all amounts of outstanding bal-  
15 ances equal to the fixed amount plus at least the same differential.

16 \* Sec. 5. AS 45.45.010(b) is repealed and reenacted to read:

17 (b) Parties to a contract or loan commitment may charge by  
18 express agreement a rate of interest that does not exceed 24 percent a  
19 year. A contract or loan commitment in which the principal amount  
20 exceeds \$25,000 is exempt from the limitation of this subsection.

21 \* Sec. 6. AS 44.33.020(11) is repealed.

22 \* Sec. 7. This Act takes effect July 1, 1985.