

CHAPTER 48

AN ACT

[H. B. 108]

Authorizing collection of interest in advance on loans in principal amounts not to exceed \$3,500.00, providing terms under which such loans may be made, and providing for delinquency charges

Be it enacted by the Legislature of the Territory of Alaska:

Advance
interest.

Repayment
period.

Payment
prior to
maturity.

Exception

Section 1. LOANS IN AMOUNTS NOT TO EXCEED \$3,500.00. Lenders of money, either upon the security of personal property or otherwise, are hereby authorized to charge or to receive in advance interest therefor: to contract for a charge for a secured or unsecured installment loan, which in principal amount (not inclusive of interest) shall not exceed Thirty-five Hundred Dollars (\$3,500.00), and which under its terms shall be repayable in substantially equal installments over a period not exceeding three years, which charge shall be at a rate not exceeding Six Dollars (\$6.00) per One Hundred Dollars (\$100.00) per annum upon the original face amount of the instrument or instruments evidencing the loan for the entire period of the loan, and which such charge may be collected in advance: Provided, that if the entire unpaid balance outstanding on a loan is paid by cash, renewal, or otherwise at any time prior to maturity, the lender shall give a refund or credit of the unearned portion of such charge, which refund or credit shall represent at least as great a proportion of the original charge as the sum of the periodical time balances after the date of prepayment bears to the sum of all the periodical time balances under the schedule of payments in the original instrument or instruments evidencing the loan: Provided, however, That the lender shall not be required to refund or credit any portion of such unearned charge which would result in a net charge on a loan

less than the minimum charge provided for herein, nor to make a refund or credit where the amount thereof, computed as herein set forth, would be less than five dollars for each loan paid prior to the maturity date. No additional amount shall be charged or contracted for, directly or indirectly, on or in connection with any such installment loan, except the following:

(a) Delinquency charges not to exceed five cents for each dollar of each installment more than fifteen days in arrears: Provided, that the total of delinquency charges on any such installment loan shall not exceed Fifteen Dollars (\$15.00), and only one delinquency charge shall be made on any one installment;

Delinquency charges.

(b) Premiums paid by the lender for insurance required or obtained as security for or by reason of such installment loan;

(c) Such amounts as are necessary to reimburse the lender for fees paid to a public officer for filing, recording, or releasing any instrument or lien; and the actual expenditures, including reasonable attorneys' fees for legal process or proceedings, to secure or collect any such installment loan. Any advertising concerning such installment loans which contains a statement of an amount, or rate of charge, shall also contain the percentage rate, either per month or per year, computed on declining balances of the face amount of the loan instrument to which such charge would be equivalent if the loan were repaid according to contract: Provided, That this requirement may be complied with by stating the equivalent percentage rate which would earn the charge for such a loan repayable in twelve equal consecutive monthly installments, and such stated rate may be closely approximate, rather than exact, if the statement so indicated: And provided further, That this requirement shall not apply to an advertisement in which an amount, or rate

Other fees.

Advertising requirements.

Exception

of charge, is indicated only by a table which contains and is confined to examples of the face amount of the loan instrument, the proceeds to the borrower exclusive of the charge, and the amount, number and intervals of the required payments. The aggregate amount of unpaid principal due from any one borrower on one or more loans granted pursuant to the provisions of this paragraph shall not at any time exceed Thirty-five Hundred Dollars (\$3,500.00).

Exception.
from
interest
limit.

Section 2. No law of this Territory prescribing or limiting interest rates upon loans shall be deemed to apply to loans made pursuant to the provisions of this Act.

Passed over veto, March 21, 1951.

CHAPTER 49

AN ACT

[H. B. 47]

Relating to Old Age Assistance, eliminating citizenship requirement and modifying provisions regarding residence in medical institutions; defining public medical institutions; amending Section 51-2-51 ACLA 1949, as amended by Chapter 33 S.L.A. 1949; and fixing an effective date.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. That Section 51-2-51 ACLA 1949, as amended by Chapter 33 S.L.A. 1949, is hereby amended to read as follows: