## Opinion No. 16

**STATE EXAMINER; Powers; loan associations; license required loans $1000 or less if 10% interest charged—LICENSES; Consumer Loans; license required $1000 or less if 10% interest charged—Chapter 283, Laws of 1959**

**Held: The Montana Consumer Loan Act does not require the licensing of all individuals who wish to contract for consumer loans in amounts of $1000 or less but only those individuals who engage in the business of making loans or advances and who charge more than ten per cent (10%) for interest, compensation, consideration or expense per annum.**

July 1, 1959

Mr. R. E. Towle
Montana Consumer Loan Commissioner
Office of the State Examiner
Capitol Building
Helena, Montana

Dear Mr. Towle:

You have requested my opinion whether the Montana Consumer Loan Act enacted as Chapter 283, Laws of Montana, 1959, requires the licensing of all individuals who wish to contract for consumer loans in amounts of $1000 or less on or after July 1, 1959.

Section 4 (a) provides in part:

> "On or after July 1, 1959, no person shall **engage in the business of making loans** or advances of money on credit in amounts of one thousand dollars ($1000) or less **and** contract for, charge, or receive directly or indirectly or in connection with any such loan or advance any charges whether **for interest, compensation, consideration,** or expense which in the aggregate are **greater than ten per cent (10%) per annum** except as provided in and authorized by this act." (Emphasis supplied)

This section is clear that the legislature only intended to license those individuals who "engage in the business of making loans or advances" **and** who charge more than ten per cent (10%) per annum as interest, compensation or consideration.

It is therefore my opinion that the Montana Consumer Loan Act does not require the licensing of all individuals who wish to contract for consumer loans in amounts of $1000 or less but only those individuals who engage in the business of making loans or advances and who charge more than ten per cent (10%) for interest, compensation, consideration or expense per annum.

Very truly yours,
FORREST H. ANDERSON
Attorney General