

1 HOUSE BILL NO. 21
 2 INTRODUCED BY VINCENT
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
 5 74-608, R.C.M. 1947, REDUCING TO ONE PERCENT (1%) THE
 6 ALLOWABLE MONTHLY INTEREST CHARGE ON RETAIL CHARGE
 7 ACCOUNTS."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 74-608, R.C.M. 1947, is amended to
 11 read as follows:

12 "74-608. Finance charge limitation. (a)
 13 Notwithstanding the provisions of any other law, the finance
 14 charge included in a retail installment contract shall not
 15 exceed the following schedule:

16 (1) As to motor vehicles:
 17 Class 1. Any new motor vehicle designated by the
 18 manufacturer by a year model not earlier than the year in
 19 which the sale is made--seven dollars (\$7) per one hundred
 20 dollars (\$100) per year.

21 Class 2. Any new motor vehicle not in class 1 and any
 22 used motor vehicle designated by the manufacturer by a year
 23 model of the same or not more than two (2) years prior to
 24 the year in which the sale is made--nine dollars (\$9) per
 25 one hundred dollars (\$100) per year.

1 Class 3. Any used motor vehicle not in class 2 and
 2 designated by the manufacturer by a year model more than two
 3 (2) years prior to the year in which the sale is
 4 made--eleven dollars (\$11) per one hundred dollars (\$100)
 5 per year.

6 (2) As to services and goods other than motor vehicles:
 7 (i) On so much of the principal balance as does not exceed
 8 three hundred dollars (\$300), eleven dollars (\$11), per one
 9 hundred dollars (\$100) per year; (ii) if the principal
 10 balance exceeds three hundred dollars (\$300), but is less
 11 than one thousand dollars (\$1,000), nine dollars (\$9) per
 12 one hundred dollars (\$100) per year on that portion over
 13 three hundred dollars (\$300); (iii) if the principal balance
 14 exceeds one thousand dollars (\$1,000), seven dollars (\$7)
 15 per one hundred dollars (\$100) per year on that portion over
 16 one thousand dollars (\$1,000).

17 (b) Such finance charge shall be computed on the
 18 principal balance as determined under section 74-607 (f) on
 19 contracts payable in successive monthly payments
 20 substantially equal in amount from the date of the contract
 21 until the maturity of the final installment, notwithstanding
 22 that the total time balance thereof is required to be paid
 23 in installments. A minimum finance charge of twenty dollars
 24 (\$20) may be charged on any retail installment contract.

25 (c) When a retail installment contract provides for

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1 payment, other than in equal successive monthly
2 installments, the finance charge may be a rate which will
3 provide the same yield as is permitted on monthly payment
4 contracts under subsections (a) and (b) hereof, having due
5 regard for the schedule of payments in the contract.

1 period.*

-End-

6 (d) Notwithstanding the provisions of any other law, a
7 retail charge account agreement may provide for, and the
8 seller or holder may charge, collect and receive a finance
9 charge, as specified herein, for the privilege of paying in
10 installments thereunder. The finance charge may be computed
11 from month to month (which need not be a calendar month) or
12 other regular billing cycle period by applying a rate not to
13 exceed one and one-half per cent (~~1-1/2%~~) (1%) for each such
14 monthly period to an amount (not including any unpaid
15 finance charge) not in excess of the greatest of:

16 (i) the average daily balance in the account in the
17 billing cycle period; or

18 (ii) the median amount within a ten dollar (\$10) range
19 within which such average daily balance or beginning balance
20 falls, provided the seller applies the same rate of finance
21 charge to all such balances within such range.

22 (e) If the finance charge so determined pursuant to (d)
23 above, for such monthly period is less than fifty cents
24 (50¢), a maximum finance charge not in excess of fifty cents
25 (50¢) may be charged, received and collected for such

Objection Raised to
Adverse Committee Report

HOUSE BILL NO. 21

INTRODUCED BY VINCENT, HARPER, TEAGUE, BARDANOUVE,
STOLTZ, GUNDERSON, LUEBECK, DRISCOLL

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
74-608, R.C.M. 1947, REDUCING TO ONE PERCENT (1%) THE
ALLOWABLE MONTHLY INTEREST CHARGE ON RETAIL CHARGE
ACCOUNTS."

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

Section 1. Section 74-608, R.C.M. 1947, is amended to
read as follows:

"74-608. Finance charge limitation. (a)

Notwithstanding the provisions of any other law, the finance
charge included in a retail installment contract shall not
exceed the following schedule:

(1) As to motor vehicles:

Class 1. Any new motor vehicle designated by the
manufacturer by a year model not earlier than the year in
which the sale is made--seven dollars (\$7) per one hundred
dollars (\$100) per year.

Class 2. Any new motor vehicle not in class 1 and any
used motor vehicle designated by the manufacturer by a year
model of the same or not more than two (2) years prior to
the year in which the sale is made--nine dollars (\$9) per

one hundred dollars (\$100) per year.

Class 3. Any used motor vehicle not in class 2 and
designated by the manufacturer by a year model more than two
(2) years prior to the year in which the sale is
made--eleven dollars (\$11) per one hundred dollars (\$100)
per year.

(2) As to services and goods other than motor vehicles:

(i) On so much of the principal balance as does not exceed
three hundred dollars (\$300), eleven dollars (\$11), per one
hundred dollars (\$100) per year; (ii) if the principal
balance exceeds three hundred dollars (\$300), but is less
than one thousand dollars (\$1,000), nine dollars (\$9) per
one hundred dollars (\$100) per year on that portion over
three hundred dollars (\$300); (iii) if the principal balance
exceeds one thousand dollars (\$1,000), seven dollars (\$7)
per one hundred dollars (\$100) per year on that portion over
one thousand dollars (\$1,000).

(b) Such finance charge shall be computed on the
principal balance as determined under section 74-607 (f) on
contracts payable in successive monthly payments
substantially equal in amount from the date of the contract
until the maturity of the final installment, notwithstanding
that the total time balance thereof is required to be paid
in installments. A minimum finance charge of twenty dollars
(\$20) may be charged on any retail installment contract.

1 (c) When a retail installment contract provides for
 2 payment, other than in equal successive monthly
 3 installments, the finance charge may be a rate which will
 4 provide the same yield as is permitted on monthly payment
 5 contracts under subsections (a) and (b) hereof, having due
 6 regard for the schedule of payments in the contract.

7 (d) Notwithstanding the provisions of any other law, a
 8 retail charge account agreement may provide for, and the
 9 seller or holder may charge, collect and receive a finance
 10 charge, as specified herein, for the privilege of paying in
 11 installments thereunder. The finance charge may be computed
 12 from month to month (which need not be a calendar month) or
 13 other regular billing cycle period by applying a rate not to
 14 exceed ~~one and one-half per cent (1-1/2%)~~ ONE AND
 15 ONE-FOURTH PERCENT (1-1/4%) for each such monthly period to
 16 an amount (not including any unpaid finance charge) not in
 17 excess of the greatest of:

18 (i) the average daily balance in the account in the
 19 billing cycle period; or

20 (ii) the median amount within a ten dollar (\$10) range
 21 within which such average daily balance or beginning balance
 22 falls, provided the seller applies the same rate of finance
 23 charge to all such balances within such range.

24 (e) If the finance charge so determined pursuant to (d)
 25 above, for such monthly period is less than fifty cents

1 (50¢), a maximum finance charge not in excess of fifty cents
 2 (50¢) may be charged, received and collected for such
 3 period."

-End-