

1 *Senate* BILL NO. *234*
 2 INTRODUCED BY *Greely Fawcender*

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 5-527,
 5 R.C.M. 1947, TO ALLOW SAVINGS AND LOAN ASSOCIATIONS TO MAKE
 6 THE SAME CHARGES ON INSTALLMENT LOANS AS DO BANKS."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 9 Section 1. Section 5-527, R.C.M. 1947, is amended to
 10 read as follows:

11 "5-527. Interest not to exceed lawful rate--
 12 permissible charges on installment loans. No bank or savings
 13 and loan association shall demand or receive for loans or
 14 discounts, a rate of interest exceeding that allowed by law,
 15 excepting that it shall be lawful for any bank to receive
 16 interest in advance according to the ordinary usages of
 17 banking institutions. On loans to be repaid in one or more
 18 deferred installments a bank or savings and loan association
 19 may charge not to exceed the following schedule: On so much
 20 of the principal balance as does not exceed three hundred
 21 dollars (\$300), eleven dollars (\$11) per one hundred dollars
 22 (\$100) per year; if the principal balance exceeds three
 23 hundred dollars (\$300), but is less than one thousand
 24 dollars (\$1,000), nine dollars (\$9) per one hundred dollars
 25 (\$100) per year on that portion over three hundred dollars

1 (\$300); if the principal balance exceeds one thousand
 2 dollars (\$1,000), seven dollars (\$7) per one hundred dollars
 3 (\$100) per year on that portion over one thousand dollars
 4 (\$1,000). Such charges shall be computed on the principal
 5 balance on contracts payable in successive monthly payments
 6 substantially equal in amount from the date of the contract
 7 until the maturity of the final installment, notwithstanding
 8 that the total balance thereof is required to be paid in
 9 installments. A minimum charge of twenty dollars (\$20) may
 10 be made with respect to any installment loan made by a bank
 11 or savings and loan association. When an installment loan
 12 contract provides for payment other than in equal successive
 13 monthly installments the charge may be at a rate which will
 14 provide the same yield as is permitted monthly payment
 15 contracts having due regard for the schedule of payments in
 16 the contract."

-End-

SB 234

Approved by Committee
on Business and Industry

1 SENATE BILL NO. 234

2 INTRODUCED BY GREELY, FASBENDER, GALT, TOWE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 5-527,
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21 installments a bank or savings and loan association may
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INTRODUCED BY GREELY, FASBENDER, GALT, TOWE

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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); 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). Such charges shall be computed on the principal balance 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 balance thereof is required to be paid in installments, A minimum charge of twenty dollars (\$20) may be made with respect to any installment loan made by a bank or savings and loan association. When an installment loan contract provides for payment other than in equal successive monthly installments the charge may be at a rate which will provide the same yield as is permitted monthly payment contracts having due regard for the schedule of payments in the contract."

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