

HOUSE BILL NO. 786

INTRODUCED BY LORY, RAMIREZ

IN THE HOUSE

February 13, 1979	Introduced and referred to Committee on Business and Industr
February 17, 1979	Committee recommend bill do pass. Report adopted.
February 20, 1979	Second reading, do pass.
February 21, 1979	Considered correctly engrossed.
February 22, 1979	Third reading, passed. Transmitted to second house.

IN THE SENATE

February 22, 1979	Introduced and referred to Committee on Business and Industr
March 7, 1979	Committee recommend bill be concurred in as amended. Report adopted.
March 9, 1979	Second reading, concurred in.
March 13, 1979	Third reading, concurred in as amended.

IN THE HOUSE

March 14, 1979	Returned from second house. Concurred in as amended.
March 16, 1979	Second reading, amendments adopted
March 17, 1979	Third reading, amendments adopted Sent to enrolling.  Reported correctly enrolled.

1 HOUSE BILL NO. 786  
 2 INTRODUCED BY Sen. [Signature]

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW AND REGULATE  
 5 DEFERRAL CHARGES BY MONTANA CONSUMER LOAN LICENSEES."

6  
 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

8 Section 1. Deferral charge permitted -- nature of  
 9 deferral charge. Notwithstanding the provisions of 32-5-301  
 10 and 32-5-302, if the contract so provides, a consumer loan  
 11 licensee may, at any time, grant a deferral and make  
 12 deferral charges as provided in [section 2]. A deferral  
 13 postpones the scheduled due date of the earliest unpaid  
 14 installment and all subsequent installments as originally  
 15 scheduled or as previously deferred for a period equal to  
 16 the deferred period. The deferral period is that period  
 17 during which no installment is scheduled to be paid by  
 18 reason of the deferral.

19 Section 2. Deferral charge -- rate. The deferral  
 20 charge for a 1-month period may not exceed an amount equal  
 21 to the difference between the refund which would be required  
 22 for prepayment in full under subsection (5) of 32-5-301 as  
 23 of the scheduled due date of the first deferred installment  
 24 and the refund which would be required for prepayment in  
 25 full as of 1 month prior to such date. A proportionate

1 charge may be made for deferrals for periods of more or less  
 2 than 1 month. A deferral charge is earned pro rata on a  
 3 daily basis during the deferral period and is fully earned  
 4 on the last day of the deferral period. Should a loan be  
 5 prepaid during a deferral period the licensee shall make or  
 6 credit to the borrower a pro rata refund of the unearned  
 7 deferral charge in addition to any refund or credit made  
 8 pursuant to subsection (5) of 32-5-301.

9 Section 3. Deferral prohibited when default charge has  
 10 been collected. No installment payment upon which a default  
 11 charge has been collected may be deferred unless the default  
 12 charge is refunded to the borrower or credited to the  
 13 deferral charge.

14 Section 4. Collection of deferral charge. A deferral  
 15 charge may be collected at the time it accrues or any time  
 16 thereafter.

-End-

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-End-

March 7, 1979

SENATE STANDING COMMITTEE REPORT  
(Business & Industry)

That House Bill No. 786 be amended as follows:

1. Page 1, line 16.  
Following: "the"  
Strike: "deferred"  
Insert: "deferral"