

HOUSE BILL NO. 239

INTRODUCED BY FABREGA, GOODOVER, WALLIN, MOORE,
VINGER, NORDTVEDT, MEYER, SALES

IN THE HOUSE

January 15, 1981	Introduced and referred to Committee on Business and Industry.
January 30, 1981	Committee recommend bill do pass as amended. Report adopted.
February 2, 1981	Bill printed and placed on members' desks.
February 3, 1981	Second reading, do pass.
February 4, 1981	Correctly engrossed.
February 6, 1981	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 7, 1981	Introduced and referred to Committee on Business and Industry.
March 9, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 10, 1981	Second reading, pass consideration.
	On motion taken from second reading and referred to Committee on Business and Industry. Motion adopted.
March 16, 1981	Committee recommend bill be concurred in as amended. Report adopted.

March 18, 1981

Second reading, concurred in.

March 20, 1981

Third reading, concurred in as amended. Ayes, 43; Noes, 5.

IN THE HOUSE

March 21, 1981

Returned from Senate with amendments.

March 24, 1981

Second reading, amendments not concurred in. Ayes 83; Noes, 8.

Motion to reconsider the Senate amendments and place on second reading. Motion adopted.

March 25, 1981

Second reading, amendments concurred in.

March 27, 1981

Third reading, amendments concurred in. Ayes, 73; Noes, 10. Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 239
2 INTRODUCED BY *George Gordon Walker Moore*
3 *George Gordon Walker Moore*
George Gordon Walker Moore

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE USURY
5 LIMITS UNDER THE MONTANA RETAIL INSTALLMENT SALES ACT;
6 AMENDING SECTIONS 31-1-241 AND 31-1-243, MCA."

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

9 Section 1. Section 31-1-241, MCA, is amended to read:

10 ***31-1-241. Finance charge limitation. (b)**

11 Notwithstanding the provisions of any other law, the finance

12 charge included in a retail installment contract shall not

13 exceed the following schedule:

14 ~~testes-to-motor-vehicle test~~

15 if--class-t--any--new--motor-vehicle--designated--by--the
16 manufacturer--by--a--year--model--not--earlier--than--the--year--
17 which--the--rate--is--made--at--per--\$100--per--year.

18 title-etcass-2--any--new-motor-vehicle-not-in-class-1-and
19 any-used-motor-vehicle-designated-by-the-manufacturer--by-a
20 year-model-of-the-same-or-not-more-than-2-years-prior-to-the
21 year-in-which-the-sale-is-made--at-per-\$100-per-year

22 ~~ffff-ctess-3--any--used--motor--vehicle-not-in-ctess-2~~
23 and-designated-by-the-manufacturer-by-a-year-model-more-than
24 2-years-prior-to-the-year-in-which-the-estate-is-made--\$100-per
25 \$100-per-year

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

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

15 (a) the average daily balance in the account in the
 16 billing cycle period;

17 (b) the ending balance of the account as of the last
 18 day of the billing cycle less the amount of purchases
 19 charged to the account during that billing cycle; or

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

24 (5) If the finance charge so determined pursuant to
 25 (4) above for such monthly period is less than 50 cents, a

1 maximum finance charge not in excess of 50 cents may be
 2 charged, received, and collected for such period ~~at the~~
 3 ~~rate agreed upon by the retail seller and the buyer.~~

4 Section 2. Section 31-1-243, RCA, is amended to read:

5 **"31-1-243. Refinancing retail installment contract.**
 6 The holder of a contract, upon request by the buyer, may
 7 extend the scheduled due date of all or any part of any
 8 installment or installments or defer payment or payments or
 9 renew or restate the unpaid time balance of such contract,
 10 the amount of the installments, and the time schedule
 11 therefor and may collect for such extension, deferral,
 12 renewal, or restatement a refinance charge. The holder may
 13 compute the refinance charge on the unpaid time balance to
 14 be extended, deferred, renewed, or restated by adding to
 15 such unpaid time balance the cost for any insurance and
 16 other benefits incidental to the refinancing plus any
 17 accrued delinquency and collection charges, after deducting
 18 any refund which may be due the buyer as for a prepayment
 19 pursuant to 31-1-242 at the rate of the finance charge
 20 specified in 31-1-241 (1) and by reclassifying in the case of
 21 motor vehicles by its then year model for the term of the
 22 refinancing agreement but otherwise subject to the
 23 provisions of this part governing computation of the
 24 original finance charge. The provisions of this part
 25 relating to minimum finance charges under 31-1-241 (2) shall

1 not apply in calculating refinance charges on the contract
2 extended--deferred--renewed--or--restated. If all unpaid
3 installments are deferred for not more than 2 months, the
4 holder may at his election charge and collect for such
5 deferment an amount equal to the difference between the
6 refund required for prepayment in full under 31-1-242 as of
7 the scheduled due date of the first deferred installment and
8 the refund required for prepayment in full as of 1 month
9 prior to said date, times the number of months in which no
10 scheduled payment is made."

-End-

Approved by Committee
on Business and Industry

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

11 Section 1. Section 31-1-241, MCA, is amended to read:

12 "31-1-241. Finance charge limitation. (1)

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 (a) as to motor vehicles:

17 (i) 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, \$7 per \$100 per year;

20 (ii) class 2--any new motor vehicle not in class 1 and
21 any used motor vehicle designated by the manufacturer by a
22 year model of the same or not more than 2 years prior to the
23 year in which the sale is made, \$9 per \$100 per year;

24 (iii) class 3--any used motor vehicle not in class 2
25 and designated by the manufacturer by a year model more than

1 2-years-prior-to-the-year-in-which-the-sale-is-made,-\$1-per
2 \$100-per-year

3 fbj--as--to--any--industrial--or--construction--equipment
4 primarily--designed--for--or--used--in--construction--logging,
5 mining--or--other--industrial--business--the--price--of--which--is
6 over--\$5,000,-\$9-per-\$100-per-year--This--subsection--shall--not
7 apply--to--agricultural--equipment.

8 fcj--as--to--any--manufactured--structure--or--recreational
9 vehicle,-\$9-per-\$100-per-year

10 fdj--as--to--services--and--goods--other--than--as--provided
11 under--subsections--ffj(fa)--{(fbj--and--fcj)}--above--

12 ffj--on--so--much--of--the--principal--balance--as--does--not
13 exceed--\$300,-\$11-per-\$100-per-year

14 ffif--if--the--principal--balance--exceeds--\$300--but--is--less
15 than--\$1,000,-\$9-per-\$100-per-year--on--that--portion--over--\$300+

16 ffif--if--the--principal--balance--exceeds--\$1,000,-\$7--per
17 \$100-per-year--on--that--portion--over--\$1,000+

18 f2j--Such--finance--charge--shall--be--computed--on--the
19 principal--balance--as--determined--under--31-1-231{5}--on
20 contracts--payable--in--successive--monthly--payments
21 substantially--equal--in--amount--from--the--date--of--the--contract
22 until--the--maturity--of--the--final--installment--notwithstanding
23 that--the--total--time--balance--thereof--is--required--to--be--paid
24 in--installments--A--minimum--finance--charge--of--\$20--may--be
25 charged--on--any--retail--installment--contract.

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

7 (4)--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-1-1/2%--for-each-such-monthly-period-to-an-amount-(not
 15 including--any--unpaid--finance-charge)--not-in-excess-of-the
 16 greatest-of:

17 (a)--the-average-daily-balance-in-the--account--in--the
 18 billing-cycle-period

19 (b)--the--ending--balance--of--the--account--as--of--the--last
 20 day--of--the--billing--cycle--less--the--amount--of--purchases
 21 charged--to--the--account--during--that--billing--cycle--or

22 (c)--the--median--amount--within-a-\$10--range--within--which
 23 such-average--daily--balance--or--beginning--balance--falls,
 24 provided--the--seller--applies--the--same--rate--of--finance--charge
 25 to--all--such--balances--within--such--range.

1 (5)--if--the--finance--charge--so--determined--pursuant--to
 2 (4)--above--for--such--monthly--period--is--less--than--50--cents--a
 3 maximum-finance-charge-not-in-excess--of--50--cents--may--be
 4 charged--received--and--collected--for--such--period be at a
 5 rate agreed upon by the retail seller and the buyer.

6 (2) 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 1 1/2% FOR EACH SUCH MONTHLY PERIOD TO AN AMOUNT (NOT
 14 INCLUDING ANY UNPAID FINANCE CHARGE) NOT IN EXCESS OF THE
 15 GREATEST OF:

16 (A) THE AVERAGE DAILY BALANCE IN THE ACCOUNT IN THE
 17 BILLING CYCLE PERIOD;

18 (B) THE ENDING BALANCE OF THE ACCOUNT AS OF THE LAST
 19 DAY OF THE BILLING CYCLE LESS THE AMOUNT OF PURCHASES
 20 CHARGED TO THE ACCOUNT DURING THAT BILLING CYCLE; OR

21 (C) THE MEDIAN AMOUNT WITHIN A \$10 RANGE WITHIN WHICH
 22 SUCH AVERAGE DAILY BALANCE OR BEGINNING BALANCE FALLS,
 23 PROVIDED THE SELLER APPLIES THE SAME RATE OF FINANCE CHARGE
 24 TO ALL SUCH BALANCES WITHIN SUCH RANGE.

25 (3) IF THE FINANCE CHARGE SO DETERMINED PURSUANT TO

1 (2) ABOVE FOR SUCH MONTHLY PERIOD IS LESS THAN 50 CENTS, A
 2 MAXIMUM FINANCE CHARGE NOT IN EXCESS OF 50 CENTS MAY BE
 3 CHARGED, RECEIVED, AND COLLECTED FOR SUCH PERIOD."

4 Section 2. Section 31-1-243, MCA, is amended to read:
 5 "31-1-243. Refinancing retail installment contract.
 6 The holder of a contract, upon request by the buyer, may
 7 extend the scheduled due date of all or any part of any
 8 installment or installments or defer payment or payments or
 9 renew or restate the unpaid time balance of such contract,
 10 the amount of the installments, and the time schedule
 11 therefor and may collect for such extension, deferment,
 12 renewal, or restatement a refinance charge. The holder may
 13 compute the refinance charge on the unpaid time balance to
 14 be extended, deferred, renewed, or restated by adding to
 15 such unpaid time balance the cost for any insurance and
 16 other benefits incidental to the refinancing plus any
 17 accrued delinquency and collection charges, after deducting
 18 any refund which may be due the buyer as for a prepayment
 19 pursuant to 31-1-242 at the rate of the finance charge
 20 specified in 31-1-241~~if it is then by reclassifying in the case of~~
 21 ~~motor vehicles by its then year model for the term of the~~
 22 ~~refinancing agreement but otherwise subject to the~~
 23 ~~provisions of this part governing computation of the~~
 24 ~~original finance charge. The provisions of this part~~
 25 ~~relating to minimum finance charges under 31-1-241~~2~~ shall~~

1 ~~not apply in calculating refinance charges on the contract~~
 2 ~~extended, deferred, renewed, or restated. If all unpaid~~
 3 ~~installments are deferred for not more than 2 months, the~~
 4 ~~holder may at his election charge and collect for such~~
 5 ~~deferral an amount equal to the difference between the~~
 6 ~~refund required for prepayment in full under 31-1-242 as of~~
 7 ~~the scheduled due date of the first deferred installment and~~
 8 ~~the refund required for prepayment in full as of 1 month~~
 9 ~~prior to said date, times the number of months in which no~~
 10 ~~scheduled payment is made."~~

11 SECTION 3. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON
 12 PASSAGE AND APPROVAL.

-End-

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

11 Section 1. Section 31-1-241, MCA, is amended to read:

12 "31-1-241. Finance charge limitation. ~~tit~~ (1)

13 Notwithstanding the provisions of any other law, the finance

14 charge included in a retail installment contract shall not

15 exceed the following schedules:

16 ~~tit~~--as to motor vehicles:

17 ~~tit~~--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, \$7 per \$100 per year;

20 ~~tit~~--class 2--any new motor vehicle not in class 1 and

21 any used motor vehicle designated by the manufacturer by a

22 year model of the same or not more than 2 years prior to the

23 year in which the sale is made, \$9 per \$100 per year;

24 ~~tit~~--class 3--any used motor vehicle not in class 2

25 and designated by the manufacturer by a year model more than

1 2-years-prior-to-the-year-in-which-the-sale-is-made,-\$1-per
2 \$100-per-year;
3 (f)---as---to---any---industrial---or---construction---equipment
4 primarily-designed-for-or-used-in-construction---logging---
5 mining---or---other-industrial-business---the-price-of-which-is
6 over-\$5,000,-\$9-per-\$100-per-year; this subsection shall not
7 apply-to-agricultural-equipment;
8 (f)---as---to---any---manufactured-structure---or---recreational
9 vehicle---\$9-per-\$100-per-year;
10 (f)---as---to---services---and-goods-other-than-as-provided
11 under-subsections-(f)(a),-(f)(b),-and-(f)(c)---above;
12 (f)---on-so-much-of-the-principal-balance---as---does---not
13 exceed-\$300,-\$11-per-\$100-per-year;
14 (f)---if---the-principal-balance-exceeds-\$300-but-is-less
15 than-\$1,000,-\$9-per-\$100-per-year-on-that-portion-over-\$300;
16 (f)---if---the-principal-balance-exceeds-\$1,000---\$7---per
17 \$100-per-year-on-that-portion-over-\$1,000;
18 (f)---such---finance---charge---shall---be---computed---on-the
19 principal---balance---as---determined---under---31-1-231(5)---on
20 contracts---payable---in---successive---monthly---payments
21 substantially-equal-in-amount-from-the-date-of-the---contract
22 until-the-maturity-of-the-final-installment---notwithstanding
23 that---the---total-time-balance-thereof-is-required-to-be-paid
24 in-installments---A-minimum-finance---charge---of---\$20---may---be
25 charged-on-any-retail-installment-contract.

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

7 (4) -- 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 1 1/2% for each such monthly period to an amount (not
 15 including any unpaid finance charge) not in excess of the
 16 greatest of:

17 (a) the average daily balance in the account in the
 18 billing cycle period;

19 (b) the ending balance of the account as of the last
 20 day of the billing cycle less the amount of purchases
 21 charged to the account during that billing cycle; or

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

1 (5) -- If the finance charge so determined pursuant to
 2 (4) -- above for such monthly period is less than 50 cents a
 3 maximum finance charge not in excess of 50 cents may be
 4 charged, received, and collected for such period be at a
 5 rate agreed upon by the retail seller and the buyer.

6 (2) 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 1 1/2% FOR EACH SUCH MONTHLY PERIOD TO AN AMOUNT (NOT
 14 INCLUDING ANY UNPAID FINANCE CHARGE) NOT IN EXCESS OF THE
 15 GREATEST OF:

16 (A) THE AVERAGE DAILY BALANCE IN THE ACCOUNT IN THE
 17 BILLING CYCLE PERIOD;

18 (B) THE ENDING BALANCE OF THE ACCOUNT AS OF THE LAST
 19 DAY OF THE BILLING CYCLE LESS THE AMOUNT OF PURCHASES
 20 CHARGED TO THE ACCOUNT DURING THAT BILLING CYCLE; OR

21 (C) THE MEDIAN AMOUNT WITHIN A \$10 RANGE WITHIN WHICH
 22 SUCH AVERAGE DAILY BALANCE OR BEGINNING BALANCE FALLS;
 23 PROVIDED THE SELLER APPLIES THE SAME RATE OF FINANCE CHARGE
 24 TO ALL SUCH BALANCES WITHIN SUCH RANGE.

25 (3) IF THE FINANCE CHARGE SO DETERMINED PURSUANT TO

1 (2) ABOVE FOR SUCH MONTHLY PERIOD IS LESS THAN 50 CENTS, A
 2 MAXIMUM FINANCE CHARGE NOT IN EXCESS OF 50 CENTS MAY BE
 3 CHARGED, RECEIVED, AND COLLECTED FOR SUCH PERIOD."

4 Section 2. Section 31-1-243, MCA, is amended to read:

5 "31-1-243. Refinancing retail installment contract.

6 The holder of a contract, upon request by the buyer, may

7 extend the scheduled due date of all or any part of any

8 installment or installments or defer payment or payments or

9 renew or restate the unpaid time balance of such contract,

10 the amount of the installments, and the time schedule

11 therefor and may collect for such extension, deferment,

12 renewal, or restatement a refinance charge. The holder may

13 compute the refinance charge on the unpaid time balance to

14 be extended, deferred, renewed, or restated by adding to

15 such unpaid time balance the cost for any insurance and

16 other benefits incidental to the refinancing plus any

17 accrued delinquency and collection charges, after deducting

18 any refund which may be due the buyer as for a prepayment

19 pursuant to 31-1-242 at the rate of the finance charge

20 specified in 31-1-241{1}-and-by-reclassifying-in-the-ease-of

21 motor-vehicles-by-its-then-year-model-for-the-term--of--the

22 refinancing---agreement---but---otherwise---subject--to--the

23 provisions--of--this--part--governing--computation--of--the

24 original--finance--charge--the--provisions--of--this--part

25 relating--to--minimum--finance--charges--under--31-1-241{2}--shall

1 not--apply--in--calculating--refinance--charges--on--the--contract

2 extended--deferred--renewed--or--restated. If all unpaid

3 installments are deferred for not more than 2 months, the

4 holder may at his election charge and collect for such

5 deferment an amount equal to the difference between the

6 refund required for prepayment in full under 31-1-242 as of

7 the scheduled due date of the first deferred installment and

8 the refund required for prepayment in full as of 1 month

9 prior to said date, times the number of months in which no

10 scheduled payment is made."

11 SECTION 3. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON

12 PASSAGE AND APPROVAL.

-End-

HOUSE BILL NO. 239

INTRODUCED BY FABREGA, GOODOVER, WALLIN, MOORE,
VINGER, NORDTVEDT, MEYER, SALES

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE USURY
6 LIMITS UNDER THE MONTANA RETAIL INSTALLMENT SALES ACT;
7 AMENDING SECTIONS 31-1-241 AND 31-1-243, MCA; PROVIDING AN
8 IMMEDIATE EFFECTIVE DATE AND TERMINATION DATE."

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

11 Section 1. Section 31-1-241, MCA, is amended to read:

12 "31-1-241. Finance charge limitation. ~~ff~~ 11

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 fat--as--to--motor--vehicles+

17 fit--class-t--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--\$7-per-\$100-per-year

20 fit--class-2--any-new-motor-vehicle-not-in-class-1--and
21 any--used--motor-vehicle--designated-by-the-manufacturer--by-a
22 year--model--of--the--same--or--not--more--than--2--years--prior--to--the
23 year--in--which--the--sale--is--made. \$8--per--\$100--per--year;

24 ffff-class-3--any-used-motor-vehicle-not--in--class--2
25 and-designated-by-the-manufacturer-by-a-year-model-more-than

1 2-years-prior-to-the-year-in-which-the-sale-is-made,-\$1-per
2 \$100-per-year
3 (b)--as--to--any--industrial--or--construction--equipment
4 primarily--designed--for--or--used--in--construction--logging,
5 mining,--or--other--industrial--business--the--price--of--which--is
6 over--\$5,000,--\$9-per-\$100-per-year--this--subsection--shall--not
7 apply--to--agricultural--equipment
8 (c)--as--to--any--manufactured--structure--or--recreational
9 vehicles,--\$9-per-\$100-per-year
10 (d)--as--to--services--and--goods--other--than--as--provided
11 under--subsections--(f)(1)(a),--(f)(1)(b),--and--(f)(1)(c)--above
12 (e)--on--so--much--of--the--principal--balance--as--does--not
13 exceed--\$300,--\$1-per-\$100-per-year
14 (f)--if--the--principal--balance--exceeds--\$300--but--is--less
15 than--\$1,000,--\$9-per-\$100-per-year--on--that--portion--over--\$300,
16 (f)(1)--if--the--principal--balance--exceeds--\$1,000,--\$7-per
17 \$100-per-year--on--that--portion--over--\$1,000,
18 (f)(2)--Such--finance--charge--shall--be--computed--on--the
19 principal--balance--as--determined--under--31-1-23+(5)--on
20 contracts---payable---in---successive---monthly---payments
21 substantially--equal--in--amount--from--the--date--of--the--contract
22 until--the--maturity--of--the--final--installment,--notwithstanding
23 that--the--total--time--balance--thereof--is--required--to--be--paid
24 in--installments--A--minimum--finance--charge--of--\$20--may--be
25 charged--on--any--retail--installment--contracts

1 f3) -- When -- a -- retail -- installment -- contract -- provides -- for
 2 payment -- other -- than -- in -- equal -- successive -- monthly -- installments,
 3 the -- finance -- charge -- may -- be -- a -- rate -- which -- will -- provide -- the -- same
 4 yield -- as -- is -- permitted -- on -- monthly -- payment -- contracts -- under
 5 subsections -- f1) -- and -- f2) -- hereof -- having -- due -- regard -- for -- the
 6 schedule -- of -- payments -- in -- the -- contracts.

7 f4) -- 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 -- 1 -- 1/2% -- for -- each -- such -- monthly -- period -- to -- an -- amount -- (not
 15 including -- any -- unpaid -- finance -- charge) -- not -- in -- excess -- of -- the
 16 greatest -- off --

17 f5) -- the -- average -- daily -- balance -- in -- the -- account -- in -- the
 18 billing -- cycle -- period

19 f6) -- the -- ending -- balance -- of -- the -- account -- as -- of -- the -- last
 20 day -- of -- the -- billing -- cycle -- less -- the -- amount -- of -- purchases
 21 charged -- to -- the -- account -- during -- that -- billing -- cycle -- or

22 f7) -- the -- median -- amount -- within -- a -- \$10 -- range -- within -- which
 23 such -- average -- daily -- balance -- or -- beginning -- balance -- falls --
 24 provided -- the -- seller -- applies -- the -- same -- rate -- of -- finance -- charge
 25 to -- all -- such -- balances -- within -- such -- range --

1 f5) -- if -- the -- finance -- charge -- so -- determined -- pursuant -- to
 2 f4) -- above -- for -- such -- monthly -- period -- is -- less -- than -- 50 -- cents -- a
 3 maximum -- finance -- charge -- not -- in -- excess -- of -- 50 -- cents -- may -- be
 4 charged -- received -- and -- collected -- for -- such -- period be at a
 5 rate agreed upon by the retail seller and the buyer.

6 12) 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 INCLUDED IN A
 11 RETAIL CHARGE ACCOUNT AGREEMENT SHALL BE AT A RATE AGREED
 12 UPON BY THE RETAIL SELLER AND THE BUYER. THE FINANCE CHARGE
 13 MAY SHALL BE COMPUTED FROM MONTH TO MONTH (WHICH NEED NOT BE
 14 A CALENDAR MONTH) OR OTHER REGULAR BILLING CYCLE PERIOD BY
 15 APPLYING--A--RATE--NOT--TO--EXCEED--1--1/2%--FOR--EACH--SUCH--MONTHLY
 16 PERIOD--TO--AN--AMOUNT--(NOT--INCLUDING--ANY--UNPAID--FINANCE
 17 CHARGE)--NOT--IN--EXCESS--OF--THE--GREATEST--OF--
 18 (A)--THE--AVERAGE--DAILY--BALANCE--IN--THE--ACCOUNT--IN--THE
 19 BILLING--CYCLE--PERIOD)
 20 f8) USING THE ENDING BALANCE OF THE ACCOUNT AS OF THE
 21 LAST DAY OF THE BILLING CYCLE LESS THE AMOUNT OF PURCHASES
 22 CHARGED TO THE ACCOUNT DURING THAT BILLING CYCLE. f9) OR
 23 f10) THE MEDIAN AMOUNT WITHIN A \$10 RANGE WITHIN WHICH
 24 SUCH--AVERAGE--DAILY--BALANCE--OR--BEGINNING--BALANCE--FALLS--
 25 PROVIDED--THE--SELLER--APPLIES--THE--SAME--RATE--OF--FINANCE--CHARGE

1 TO-ATT-SUCH-BALANCES-WITHIN-SUCH-RANGE-

2 13--IF--THE--FINANCE--CHARGE--SO--DETERMINED--PURSUANT--TO
 3 12--ABOVE--FOR--SUCH--MONTHLY--PERIOD--IS--LESS--THAN--50--CENTS--A
 4 MAXIMUM--FINANCE--CHARGE--NOT--IN--EXCESS--OF--50--CENTS--MAY--BE
 5 CHARGED--RECEIVED--AND--EFFECTED--FOR--SUCH--PERIOD--

6 (A) A SELLER MAY CHANGE THE TERMS OF A REVOLVING
 7 CHARGE ACCOUNT WHETHER OR NOT THE CHANGE IS AUTHORIZED BY
 8 PRIOR AGREEMENT. THE SELLER SHALL GIVE THE BUYER WRITTEN
 9 NOTICE OF ANY CHANGE IN THE TWO BILLING CYCLES PRIOR TO THE
 10 EFFECTIVE DATE OF THE CHANGE.

11 (B) IF THE RETAIL SELLER INCREASES HIS FINANCE CHARGE
 12 ON A RETAIL CHARGE ACCOUNT AGREEMENT, THEN SUCH INCREASED
 13 RATE MAY ONLY BE APPLIED TO THE BALANCE CONSISTING OF
 14 PURCHASES ON OTHER CHARGES INCURRED ON OR AFTER THE
 15 EFFECTIVE DATE OF THE INCREASE.

16 (C) FOR PURPOSES OF DETERMINING THE BALANCE TO WHICH
 17 THE INCREASED RATE APPLIES, ALL PAYMENTS MAY BE CONSIDERED
 18 TO BE APPLIED TO THE BALANCE EXISTING PRIOR TO THE CHANGE IN
 19 RATE UNTIL THAT BALANCE IS PAID IN FULL."

20 SECTION 2. SECTION 31-1-241, MCA, IS AMENDED TO READ:

21 "31-1-241. Finance charge limitation. (1)
 22 Notwithstanding the provisions of any other law, the finance
 23 charge included in a retail installment contract shall not
 24 exceed the following schedule:

25 (a) as to motor vehicles:

1 (i) class 1--any new motor vehicle designated by the
 2 manufacturer by a year model not earlier than the year in
 3 which the sale is made, \$7 per \$100 per year;

4 (ii) class 2--any new motor vehicle not in class 1 and
 5 any used motor vehicle designated by the manufacturer by a
 6 year model of the same or not more than 2 years prior to the
 7 year in which the sale is made, \$9 per \$100 per year;

8 (iii) class 3--any used motor vehicle not in class 2
 9 and designated by the manufacturer by a year model more than
 10 2 years prior to the year in which the sale is made, \$11 per
 11 \$100 per year;

12 (b) as to any industrial or construction equipment
 13 primarily designed for or used in construction, logging,
 14 mining, or other industrial business, the price of which is
 15 over \$5,000, \$9 per \$100 per year. This subsection shall not
 16 apply to agricultural equipment.

17 (c) as to any manufactured structure or recreational
 18 vehicle, \$9 per \$100 per year;

19 (d) as to services and goods other than as provided
 20 under subsections (1)(a), (1)(b), and (1)(c) above:

21 (i) on so much of the principal balance as does not
 22 exceed \$300, \$11 per \$100 per year;

23 (ii) if the principal balance exceeds \$300 but is less
 24 than \$1,000, \$9 per \$100 per year on that portion over \$300;

25 (iii) if the principal balance exceeds \$1,000, \$7 per

1 \$100 per year on that portion over \$1,000.

2 (2) Such finance charge shall be computed on the
 3 principal balance as determined under 31-1-231(5) on
 4 contracts payable in successive monthly payments
 5 substantially equal in amount from the date of the contract
 6 until the maturity of the final installment, notwithstanding
 7 that the total time balance thereof is required to be paid
 8 in installments. A minimum finance charge of \$20 may be
 9 charged on any retail installment contract.

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

16 (4) Notwithstanding the provisions of any other law, a
 17 retail charge account agreement may provide for and the
 18 seller or holder may charge, collect, and receive a finance
 19 charge as specified herein for the privilege of paying in
 20 installments thereunder. The finance charge may be computed
 21 from month to month (which need not be a calendar month) or
 22 other regular billing cycle period by applying a rate not to
 23 exceed 1 1/2% for each such monthly period to an amount (not
 24 including any unpaid finance charge) not-in-excess-of--the
 25 greatest-of

1 ~~(a) the average daily balance in the account in the
 2 billing cycle period~~

3 ~~but by using the ending balance of the account as of
 4 the last day of the billing cycle less the amount of
 5 purchases charged to the account during that billing cycle,~~

6 or

7 ~~(b) the median amount within a \$10 range within which
 8 such average daily balance--or--beginning balance falls,
 9 provided the seller applies the same rate of finance charge
 10 to all such balances within such range~~

11 ~~(a) A seller may change the terms of a revolving
 12 charge account whether or not the change is authorized by
 13 prior agreement. The seller shall give the buyer written
 14 notice of any change in the two billing cycles prior to the
 15 effective date of the change.~~

16 ~~(b) If the retail seller increases his finance charge
 17 on a retail charge account agreement, within the permitted
 18 ceiling amount, then such increased rate may only be applied
 19 to the balance consisting of purchases on other charges
 20 incurred on or after the effective date of the increase.~~

21 ~~(c) For purposes of determining the balance to which
 22 the increased rate applies, all payments may be considered
 23 to be applied to the balance existing prior to the change in
 24 rate until that balance is paid in full.~~

25 (5) If the finance charge so determined pursuant to

1 (4) above for such monthly period is less than 50 cents, a
 2 maximum finance charge not in excess of 50 cents may be
 3 charged, received, and collected for such period."

4 Section 3. Section 31-1-243, MCA, is amended to read:
 5 "31-1-243. Refinancing retail installment contract.
 6 The holder of a contract, upon request by the buyer, may
 7 extend the scheduled due date of all or any part of any
 8 installment or installments or defer payment or payments or
 9 renew or restate the unpaid time balance of such contract,
 10 the amount of the installments, and the time schedule
 11 therefor and may collect for such extension, deferment,
 12 renewal, or restatement a refinance charge. The holder may
 13 compute the refinance charge on the unpaid time balance to
 14 be extended, deferred, renewed, or restated by adding to
 15 such unpaid time balance the cost for any insurance and
 16 other benefits incidental to the refinancing plus any
 17 accrued delinquency and collection charges, after deducting
 18 any refund which may be due the buyer as for a prepayment
 19 pursuant to 31-1-242 at the rate of the finance charge
 20 specified in 31-1-241~~ftt~~ and by reclassifying in the case of the
 21 motor--vehicles--by--its--then--year--model--for--the--term--of--the
 22 refinancing--agreement--but--otherwise--subject--to--the
 23 provisions--of--this--part--governing--computation--of--the
 24 original--finance--charges--the--provisions--of--this--part
 25 relating--to--minimum--finance--charges--under--31-1-241~~ftt~~--shall

1 not apply in calculating refinance charges on the contract
 2 extended, deferred, renewed, or restated. If all unpaid
 3 installments are deferred for not more than 2 months, the
 4 holder may at his election charge and collect for such
 5 deferment an amount equal to the difference between the
 6 refund required for prepayment in full under 31-1-242 as of
 7 the scheduled due date of the first deferred installment and
 8 the refund required for prepayment in full as of 1 month
 9 prior to said date, times the number of months in which no
 10 scheduled payment is made."

11 SECTION 4. MERCHANT FINANCE. A FINANCE OPERATION THAT
 12 FINANCES TRANSACTIONS BETWEEN MERCHANTS, AS DEFINED IN
 13 30-2-104, IS ALSO EXEMPT FROM USURY LIMITS.

14 SECTION 5. EFFECTIVE DATE -- TERMINATION. (1) THIS
 15 ACT, EXCEPT AS PROVIDED IN SUBSECTION (2), IS EFFECTIVE ON
 16 PASSAGE AND APPROVAL AND TERMINATES ON JULY 1, 1983.

17 (2) SECTION 2 IS EFFECTIVE JULY 1, 1983.

-End-

March 9, 1981

SENATE STANDING COMMITTEE REPORT
(Business and Industry)

That House Bill No. 239 be amended as follows:

1. Title, line 8.

Following: "DATE"

Insert: "AND TERMINATION DATE"

2. Page 4, lines 6 through 10.

Following: "LAW"

Strike: remainder of line 6 through "THEREUNDER" on line 10.

Insert: "the finance charge included in a retail charge account agreement shall be at a rate agreed upon by the retail seller and the buyer"

3. Page 4, line 10.

Following: "CHARGE"

Strike: "MAY"

Insert: "shall"

4. Page 4, lines 12 through 18.

Following: "BY"

Strike: remainder of line 12 through "(B)" on line 18.

Insert: "using"

5. Page 4, line 20 through line 3 on page 5.

Following: "CYCLE"

Strike: remainder of line 20 through line 3 on page 5.

Insert: ". (a) A seller may change the terms of a revolving charge account whether or not the change is authorized by prior agreement. The seller shall give the buyer written notice of any change in the two billing cycles prior to the effective date of the change.

(b) If the retail seller increases his finance charge on a retail charge account agreement, then such increased rate may only be applied to the balance consisting of purchases on other charges incurred on or after the effective date of the increase.

(c) For purposes of determining the balance to which the increased rate applies, all payments may be considered to be applied to the balance existing prior to the change in rate until that balance is paid in full "

6. Page 6, line 11.

Following: line 10.

Insert: "Section 3. Merchant finance. A finance operation that finances transactions between merchants, as defined in 30-2-104, is also exempt from usury limits."

Renumber: subsequent sections

7. Page 6, line 11.

Following: "DATE"

Insert: " -- Termination"

8. Page 6, line 12.

Following: "APPROVAL"

Insert: "and terminates on July 1, 1983"

March 16, 1981

SENATE STANDING COMMITTEE REPORT
(Business and Industry)

That House Bill No. 239 be amended as follows:

1. Page 5, line 4.

Following: line 3

Insert: "Section 2. Section 31-1-241, MCA, is amended to read:

" 31-1-241. Finance charge limitation. (1) Notwithstanding the provisions of any other law, the finance charge included in a retail installment contract shall not exceed the following schedule:

(a) as to motor vehicles:

(i) 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, \$7 per \$100 per year;

(ii) 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 2 years prior to the year in which the sale is made, \$9 per \$100 per year;

(iii) class 3--any used motor vehicle not in class 2 and designated by the manufacturer by a year model more than 2 years prior to the year in which the sale is made, \$11 per \$100 per year;

(b) as to any industrial or construction equipment primarily designed for or used in construction, logging, mining, or other industrial business, the price of which is over \$5,000, \$9 per \$100 per year. This subsection shall not apply to agricultural equipment.

(c) as to any manufactured structure or recreational vehicle, \$9 per \$100 per year;

(d) as to services and goods other than as provided under subsections (1)(a), (1)(b), and (1)(c) above:

(i) on so much of the principal balance as does not exceed \$300, \$11 per \$100 per year;

(ii) if the principal balance exceeds \$300 but is less than \$1,000, \$9 per \$100 per year on that portion over \$300;

(iii) if the principal balance exceeds \$1,000, \$7 per \$100 per year on that portion over \$1,000.

(2) Such finance charge shall be computed on the principal balance as determined under 31-1-231(5) 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 \$20 may be charged on any retail installment contract.

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

(4) Notwithstanding the provisions of any other law, a retail charge account agreement may provide for and the seller or holder may charge, collect, and receive a finance charge as specified herein for the privilege of paying in installments thereunder. The finance charge may be computed from month to month (which need not be a calendar month) or other regular billing cycle period by applying a rate not to exceed 1 1/2% for each such monthly period to an amount

(not including any unpaid finance charge) net-in-excess-of-the greatest-of; by using

(a)--the-average-daily-balance-in-the-account-in-the-billing-cycle period;

(b) the ending balance of the account as of the last day of the billing cycle less the amount of purchases charged to the account during that billing cycle; or,

(c)--the-median-amount-within-a-\$10-range-within-which-such-average daily-balance-or-beginning-balance-falls;--provided-the-seller-applies the-same-rate-of-finance-charge-to-all-such-balances-within-such-range.

(a) A seller may change the terms of a revolving charge account whether or not the change is authorized by prior agreement. The seller shall give the buyer written notice of any change in the two billing cycles prior to the effective date of the change.

(b) If the retail seller increases his finance charge on a retail charge account agreement, within the permitted ceiling amount, then such increased rate may only be applied to the balance consisting of purchases on other charges incurred on or after the effective date of the increase.

(c) For purposes of determining the balance to which the increased rate applies, all payments may be considered to be applied to the balance existing prior to the change in rate until that balance is paid in full.

(5) If the finance charge so determined pursuant to (4) above for such monthly period is less than 50 cents, a maximum finance charge not in excess of 50 cents may be charged, received, and collected for such period."

Renumber: subsequent sections.

2. Page 6, line 11.

Following: "DATE."

Insert: "(1)"

Following: "ACT"

Insert: ", except as provided in subsection (2),"

3. Page 6, line 13.

Following: line 12

Insert: "(2) Section 2 is effective July 1, 1983."