

HOUSE BILL NO. 339

INTRODUCED BY FABREGA, PAVLOVICH,
O'CONNELL, LORY, WALLIN

IN THE HOUSE

January 18, 1983	Introduced and referred to Committee on Business and Industry.
January 25, 1983	Committee recommend bill do pass. Report adopted.
January 26, 1983	Bill printed and placed on members' desks.
January 27, 1983	Second reading, do pass.
January 28, 1983	Considered correctly engrossed.
January 29, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 31, 1983	Introduced and referred to Committee on Business and Industry.
March 4, 1983	Committee recommend bill be concurred in. Report adopted.
March 7, 1983	Second reading, concurred in.
March 9, 1983	Third reading, concurred in. Ayes, 41; Noes, 9.

IN THE HOUSE

March 9, 1983	Returned to House.
March 10, 1983	Sent to enrolling. Reported correctly enrolled.

1 *House* BILL NO. *339*
 2 INTRODUCED BY *George F. Carls*
 3 *W. Keeton*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT A CONSUMER
 5 LOAN LICENSEE TO SELL ITS BUSINESS AND ASSETS TO CERTAIN
 6 FINANCIAL INSTITUTIONS NOT LICENSED UNDER THE MONTANA
 7 CONSUMER LOAN ACT; AMENDING SECTION 32-5-103, MCA."
 8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 32-5-103, MCA, is amended to read:
 11 "32-5-103. Engaging in business of making loans
 12 restricted. (1) No person shall engage in the business of
 13 making loans or advances of money on credit in amounts of
 14 \$25,000 or less and contract for, charge, or receive
 15 directly or indirectly on or in connection with any such
 16 loan or advance any charges, whether for interest,
 17 compensation, consideration, or expense, which in the
 18 aggregate are greater than those provided by 31-1-107(1),
 19 except as provided in and authorized by this chapter. ★
 20 Except as provided in subsection (2), a person doing
 21 business under the authority of this state or the United
 22 States relating to banks, trust companies, savings or
 23 building and loan associations, credit unions, or a person
 24 engaged in business as a licensed pawnbroker or any person
 25 who shall extend credit in connection with the sale of a

1 commodity shall not become a licensee under this chapter nor
 2 shall any of the provisions of this chapter apply to any
 3 such exempted person.
 4 (2) A licensee may sell its business and assets to a
 5 bank, building and loan association, savings and loan
 6 association, trust company, credit union, credit
 7 association, development credit corporation, or bank holding
 8 company organized pursuant to state or federal statutory
 9 authority and subject to supervision, control, or regulation
 10 by an agency of the state of Montana or an agency of the
 11 federal government. All contracts for loans and all other
 12 contracts entered into by the licensee pursuant to the
 13 provisions of this chapter that are sold and transferred to
 14 an acquiring organization continue to be governed by the
 15 provisions of this chapter.
 16 ~~(2)(3)~~ The provisions of subsection (1) shall apply to
 17 any person who seeks to evade its applications by any
 18 device, subterfuge, or pretense whatsoever.
 19 ~~(3)(4)~~ Any contract of loan in the making or
 20 collection of which any act shall have been done which
 21 violates subsection (1) of this section shall be void, and
 22 the lender shall have no right to collect, receive, or
 23 retain any principal, interest, or charges whatsoever.
 24 ~~(4)(5)~~ The amount of \$25,000 in subsection (1) is
 25 subject to change pursuant to the provisions of 32-5-104 on

INTRODUCED BILL

HB 339

1. adjustment of dollar amounts."

-End-

Approved by Committee
on Business and Industry

1 *House* BILL NO. *339*
2 INTRODUCED BY *George Farnell O'Connell*
3 *Walden*
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SECOND READING

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 3 *Walden* *Tracy*

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who shall extend credit in connection with the sale of a commodity shall not become a licensee under this chapter nor shall any of the provisions of this chapter apply to any such exempted person.

~~(2) A licensee may sell its business and assets to a bank, building and loan association, savings and loan association, trust company, credit union, credit association, development credit corporation, or bank holding company organized pursuant to state or federal statutory authority and subject to supervision, controls, or regulation by an agency of the state of Montana or an agency of the federal government. All contracts for loans and all other contracts entered into by the licensee pursuant to the provisions of this chapter that are sold and transferred to an acquiring organization continue to be governed by the provisions of this chapter.~~

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