

2795.0300 LOANS FROM CLIENTS.

Subpart 1. **Requirements.** No agent shall solicit or accept a loan from an individual with whom the agent came into contact in the course of the agent's business, unless the loan agreement or note is in writing, the lender is provided with a fully executed copy of the agreement or note at the time the loan is made, and the terms of the loan are lawful.

Subp. 2. **Unfair, dishonest, and unconscionable loans.** Notwithstanding subpart 1, no agent shall solicit or accept a loan under dishonest, unfair, or unconscionable circumstances from an individual with whom the agent came into contact in the course of the agent's business. In determining whether a particular loan was solicited or accepted under dishonest, unfair, or unconscionable circumstances, the commissioner must consider the following:

- A. the prior relationship between the agent and the lender;
- B. the lender's age, mental state, and capacity;
- C. the terms of the loan, including the amount, duration, and rate of interest, and the agent's compliance with those terms;
- D. provisions for collateral or security;
- E. the lender's income and net worth;
- F. the involvement or lack of involvement of a family member of the lender, or some other neutral third party, in the negotiation of the loan;
- G. any prior history of unfair treatment of the lender which the agent knew or should have known about;
- H. indications of high pressure solicitation, coercion, intimidation, or undue influence by the agent in securing the loan;
- I. the agent's representations regarding the need for or intended use of the loan;
and
- J. any other factors which reflect on whether the loan was dishonest, unfair, or unconscionable.

Subp. 3. **Records required of agent.** An agent who accepts or has an outstanding loan from an individual with whom the agent came into contact in the course of the agent's business, must immediately compile and maintain for at least six years after the loan has been fully repaid, a list of the individuals from whom the agent has borrowed money, together with all documentation relating to the loans and the circumstances under which each was made.

Statutory Authority: *MS s 60A.17*

History: *9 SR 175*

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