

CHAPTER 334

MONEY, RATES OF INTEREST

334.011 Rates of interest; business and agricultural loans.

334.012 Rates of interest; loans secured by savings accounts.

334.171 Open end credit plans; delinquencies and collection charges.

334.011 RATES OF INTEREST; BUSINESS AND AGRICULTURAL LOANS.

[For text of subds 1 to 3, see M.S.1994]

Subd. 5. Loans by charitable organizations to assist certain small businesses. (a) This subdivision applies to nonprofit charitable organizations recognized as exempt from federal income taxation under section 501(c)(3) of the federal Internal Revenue Code of 1986, as amended, that make loans for business purposes to individuals who are disadvantaged or otherwise unable to access standard sources of business credit, in conjunction with a program of education, training, business counseling, or other assistance to assist borrowers in developing their businesses at no extra charge to the borrowers or at a charge that does not exceed the cost of providing the assistance.

(b) Notwithstanding section 334.01 and subdivisions 1 and 2, an organization described in paragraph (a) may make loans described in that paragraph, in principal amounts not to exceed \$10,000, at a rate of interest not to exceed 16 percent per year, and with an origination fee not to exceed two percent of the principal amount.

(c) Prior to beginning to make loans under this subdivision, the lender shall provide written notice to the commissioner of commerce, on a form prescribed by that commissioner. The lender shall at the same time provide a copy of that written notice to the commissioner of trade and economic development.

(d) A lender making loans under this subdivision shall annually file with the commissioner an annual report, on a date and on a form prescribed by the commissioner, summarizing the lender's loans made or outstanding in this state during the preceding year. The lender shall at the same time provide a copy of that annual report to the commissioner of trade and economic development.

History: 1995 c 202 art 2 s 32

334.012 RATES OF INTEREST; LOANS SECURED BY SAVINGS ACCOUNTS.

Notwithstanding the provisions of section 334.01, a financial institution may, in the case of a loan or forbearance of money, goods, or things in action, secured by a savings or time deposit account owned by the borrower, charge interest at a rate of not more than the greater of two percent in excess of the rate of interest payable on the savings or time deposit account or the contracted rate authorized in section 334.01, subdivision 1. For purposes of this section, "financial institution" means a bank, savings bank, trust company, mutual savings bank, or savings association organized under the laws of this state or the United States and having its main office in this state.

History: 1995 c 202 art 1 s 25

334.171 OPEN END CREDIT PLANS; DELINQUENCIES AND COLLECTION CHARGES.

If an open end credit plan, agreement, or arrangement between the buyer and seller so provides, a seller or holder may collect a delinquency and collection charge on each installment in arrears for a period of not less than ten days in an amount not in excess of any such charge which may be imposed on residents of this state by any institution defined in subsection (c)(2)(F) of section 101(a) of the Competitive Equality Amendments of 1987 and the Bank Holding Company Act of 1956, United States Code, title 12, section 1841(c)(2)(F), by any national banking association under section 85 of the National Bank Act of 1864, United States Code, title 12, section 85, or by any state chartered insured depository institution under

section 521 of the Depository Institutions Deregulation and Monetary Control Act of 1980, United States Code, title 12, section 1813d(a).

History: *1995 c 202 art 3 s 21*