

CHAPTER 334

MONEY, RATES OF INTEREST

334.011 Rates of interest; business and agricultural loans.

334.011 RATES OF INTEREST; BUSINESS AND AGRICULTURAL LOANS.

[For text of subs 1 to 3, see M.S.2002]

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 employment 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 employment and economic development.

History: 1Sp2003 c 4 s 1