60th Legislature SB0455.01

1	SENATE BILL NO. 455
2	INTRODUCED BY D. RYAN
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4	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA DEFERRED DEPOSIT LOAN ACT AND
5	THE MONTANA TITLE LOAN ACT BY CAPPING THE INTEREST RATE THAT MAY BE CHARGED ON
6	DEFERRED DEPOSIT LOANS AND TITLE LOANS; AND AMENDING SECTIONS 31-1-722 AND 31-1-817
7	MCA."
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9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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11	Section 1. Section 31-1-722, MCA, is amended to read:
12	"31-1-722. Prohibited and permitted fees attorney fees and costs. (1) A licensee may not charge
13	or receive, directly or indirectly, any interest, fees, or charges except those specifically authorized by this section.
14	(2) A licensee may not charge a fee for each deferred deposit loan entered into with a consumer that
15	exceeds 25% of the principal amount of the deferred deposit loan that is advanced or, in the case of an electronic
16	transaction, 25% of the principal amount of the deferred deposit loan. The maximum rate of interest that a
17	deferred deposit licensee may receive for making and carrying any deferred deposit loan authorized by this part
18	may not exceed an annual percentage rate of 36%, exclusive of the insufficient funds fees authorized in
19	subsections (3) and (4).
20	(3) If there are insufficient funds to pay a check on the date of presentment, a licensee may charge a
21	fee, not to exceed \$30. Only one fee may be collected pursuant to this subsection with respect to a particular
22	check even if it has been redeposited and returned more than once. A fee charged pursuant to this subsection
23	is a licensee's exclusive charge for late payment. A licensee may not collect damages under 27-1-717(3) for an
24	insufficient funds check.
25	(4) If the loan involves an electronic deduction and there are insufficient funds to deduct on the date or
26	which the payment is due, a licensee may charge a fee, not to exceed \$30. Only one fee may be collected
27	pursuant to this subsection with respect to a particular loan even if the licensee has attempted more than once
28	to deduct the amount due from the consumer's account. A fee charged pursuant to this subsection is a licensee's
29	exclusive charge for late payment. A licensee may not collect damages under 27-1-717(3) for an electronic
30	deduction for which there are insufficient funds.

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(5) If the loan agreement in 31-1-721 requires, reasonable attorney fees and court costs may be awarded to the party in whose favor a final judgment is rendered in any action on a deferred deposit loan entered into pursuant to this part."

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Section 2. Section 31-1-817, MCA, is amended to read:

"31-1-817. Interest rates -- fees charged. (1) The maximum rate of interest that a title lender shall contract for and must receive for making and carrying any title loan authorized by this part may not exceed: an annual percentage rate of 36%, exclusive of the recording costs and service charges provided for in subsections (2) and (3).

- (a) 25% for each 30-day period for the portion of a loan that does not exceed \$2,000;
- (b) 18% for each 30-day period for the portion of a loan exceeding \$2,000 but not exceeding \$4,000; and

 (c) a 10% percentage rate for each 30-day period, plus fees, on the portion of a loan that exceeds

 \$4,000.
 - (2) Title lenders may charge their actual costs of recording liens on borrowers' certificates of title.
 - (3) Title lenders may charge a service charge, as provided in 27-1-717, if there are insufficient funds to pay a check on the date of presentment. Title lenders may not collect damages under 27-1-717(3) based upon the presentment of an insufficient funds check."

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