

SENATE BILL NO. 280

INTRODUCED BY F. MOORE, S. FITZPATRICK

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS REGARDING THE LIABILITY OF REGULATED LENDERS FOR CERTAIN TRANSACTIONS CONDUCTED THROUGH WRITTEN DOCUMENTS; AND AMENDING SECTION 31-1-116, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 31-1-116, MCA, is amended to read:

"31-1-116. ~~Commercial loans~~ Loans by regulated lender -- when written agreement required. (1)

~~No action in contract or tort~~ With respect to a commercial loan, a contract action or a breach of contract action may ~~not~~ be brought against a regulated lender based on a negotiation, promise, or commitment that is not in writing signed by the lender where the negotiation, promise, or commitment is to:

- (a) lend money or to extend credit;
- (b) alter, amend, renew, extend, or otherwise modify an existing negotiation, promise, commitment, or agreement to lend money or extend credit; or
- (c) make a financial accommodation.

(2) ~~For the purposes of this section, "commercial loan" means~~ This section applies to money loaned or credit extended by a regulated lender to any person or business in which the amount involved exceeds \$50,000, primarily for commercial or business purposes, in excess of \$100,000, and does not include money lent or credit extended for personal, family, or household purposes and also does not include charge or credit card accounts, personal lines of credit, personal overdraft accounts, or other consumer accounts.

- (3) THIS SECTION DOES NOT:
 - (A) AFFECT REMEDIES AVAILABLE UNDER TITLE 30, CHAPTER 14; OR
 - (B) APPLY TO LOANS OR CREDIT EXTENDED TO ANY PERSON SECURED SOLELY BY A TRUST INDENTURE ON SINGLE FAMILY RESIDENTIAL REAL PROPERTY OWNED AND OCCUPIED BY THE PERSON.

- END -

