

INSTALLMENT LOANS

WILL STATES PROTECT BORROWERS FROM A NEW WAVE OF PREDATORY LENDING?

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APPENDIX C

SUMMARIES OF STATE CLOSED-END INSTALLMENT LOAN STATUTES

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INTRODUCTION

This set of summaries encompasses state statutes that allow lenders other than depository institutions to make installment loans. It excludes statutes and statutory provisions that:

- Are limited to credit for the purchase of goods or services.
- Are limited to credit that is secured by real or personal property.
- Apply only to loans of less than \$500, or that apply only to loans with repayment periods of less than six months.
- Relate solely to non-consumer transactions.
- Relate solely to automobile title lending.
- Relate to open-end credit (those statutes are summarized in a separate appendix).
- Allow lending only by banks or similar depository institutions (but these summaries do include state industrial loan laws).

Some states have special statutes for installment loans. In other states, provisions regarding installment loans are embedded in a more broadly

applicable consumer lending statute. Those provisions are included in these summaries.

Interest rates stated in these summaries are actuarial and per year unless otherwise specified. Where a statute expresses a rate cap in the form of “add-on” interest or “discount interest” (two non-actuarial methods of expressing a rate cap), these summaries use those terms. See *National Consumer Law Center, Consumer Credit Regulation* Ch. 5 (2012), updated at www.nclc.org/library, for an explanation of non-actuarial interest rate calculations. For the sake of simplicity, interest rates that are calculated by applying a rate to a declining balance are referred to as “actuarial” for the most part in these summaries, without regard to whether they allow unpaid interest to be added to the principal. However, for some statutes that are particularly clear that unpaid interest is not to be added to the principal, these summaries term the interest rate “simple” interest. Where a statute specifies a monthly rather than annual interest rate, in most cases these summaries convert the interest rate to an annual rate.

These summaries identify provisions in state installment loan laws that prohibit unconscionable or

unreasonable charges. These summaries do not, however, list other state sources of unconscionability rules. For example, a number of state unfair and deceptive practices statutes prohibit unconscionable consumer transactions. Whether those laws apply to credit terms varies from state to state and is beyond the scope of these summaries. See National Consumer Law Center, *Unfair and Deceptive Acts and Practices* §§ 2.2.1, 4.4 (8th ed. 2012), updated at www.nclc.org/library for a discussion of these issues. Many states also recognize a common law prohibition of unconscionability.

The summaries contained in this appendix list the types of insurance for which the statutes allow creditors to charge consumers. If the statute prohibits creditors from charging consumers for insurance in certain transactions, such as loans under a certain amount, that is noted. However, the summaries do not list other restrictions, such as restrictions on the rates or the reasonableness of the insurance.

State installment loan statutes typically identify the fees other than interest that lenders can charge. These summaries list those fees to the extent that they are conditions of the extension of credit. In other words, these summaries list fees, such as investigation fees, document preparation fees, origination fees, transaction fees, and “points,” that the borrower is bound to incur in order to get or use the extension of credit. The summaries do not include charges that relate solely to loans secured by real estate, or charges such as extension or deferment charges, collection costs, charges for dishonored checks, and charges for special processing of payments that are imposed only if future events occur. Most state installment loan statutes allow lenders to pass through to consumers fees for recording and releasing security interests, including fees for noting a lien on a motor vehicle certificate of title. These fees are described collectively as recording fees in these summaries, but details about the amount of the fees are omitted.

Some state consumer credit statutes provide that the consumer has the right to prepay a loan, but do not explicitly state whether a prepayment penalty can be

charged. In some cases, the statute may explicitly or implicitly forbid any charge that is not specifically allowed. These statutes will likely be interpreted to allow prepayment without penalty, since the statute does not specifically allow a prepayment penalty.

The statutes’ provisions for rebates of unearned interest upon repayment must be read with the federal rebate statute, 15 U.S.C. § 1615, in mind. The federal law requires the rebate of unearned interest upon prepayment. Moreover, it prohibits any rebate method less favorable than the actuarial method for a consumer credit transaction with a term exceeding sixty-one months, and overrides less protective state laws. The rebate provisions of many of the state installment loan laws are consistent with these federal requirements, but inconsistent state provisions are preempted by the federal law.

Another federal restriction relevant to these summaries relates to wage assignments. The FTC’s Credit Practices Rule, 16 C.F.R. § 444.2(a)(3), prohibits wage assignments unless they are revocable or apply only to wages already earned, with exceptions for payroll deduction plans and for wages that were already earned at the time of the assignment. Many state installment loan laws have a similar prohibition, but the federal rule overrides any less protective state laws.

Many state consumer credit statutes require certain lenders to be licensed. These summaries describe any consequences that attach to unlicensed lending that are specified in the statute. In some cases, the consequences may be indirect. For example, some statutes allow a lender to charge more than a certain rate only if licensed, and provide that a loan is void if it includes unauthorized charges. Under these statutes, any charges above that rate in a loan by an unlicensed lender are unauthorized, so the lack of a license means that the loan is void.

These summaries simplify complex statutory provisions, and do not attempt to capture all the nuances of the statutes or resolve ambiguities. They are based primarily on a close reading of the statutory language, and courts may have interpreted these laws in

unexpected ways. We asked regulators in each state to review their state's summaries, and many did, but the conclusions and summaries are ours and do not represent an official interpretation or the views of state regulators. Consumers and lenders should consult an attorney or other authoritative source about the application and interpretation of these laws, and attorneys should review their state statutes, regulations, and judicial decisions thoroughly before advising clients about their requirements. Corrections should be brought to the attention of the authors.

These summaries were prepared in early 2015 and do not reflect amendments that may have occurred since then. These summaries are also included as Appendix D to *National Consumer Law Center, Consumer Credit Regulation* (2012), updated at www.nclc.org/library, and will be updated there.

ALABAMA

Ala. Code §§ 5-18-1 to 5-18-23 (Small Loan Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Does not apply to:

- Banks, trust companies, savings or building and loan associations, and credit unions.
- Pawnbrokers.
- Various agricultural loans.
- The business of financing the purchase of motor vehicles, refrigerators, or other personal property.
- Loans insured or guaranteed by the United States or any of its agencies.

§ 5-18-4(b).

Licensure requirements and implications of licensure: License required to engage in business of making loans of less than \$1,000 and charge more than would be permitted without a license. § 5-18-4(a).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute

applies only to loans of less than \$1,000. §§ 5-18-4, 5-18-18. Loan term must not exceed 25 months (12 months if loan is made under alternate rate structure). § 5-18-15(i), (m)(2).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- 36% on first \$200, and 24% on remainder, and, if the scheduled monthly payment is at least \$30, an account maintenance fee of \$3 for each month of the scheduled period of repayment. §§ 5-18-15(a), (b), (m)(4), 8-8-14(a). A surcharge of 6% of the amount financed can be added to the principal.
- Alternative rate structure (allowed if loan term is no more than 12 months and payments are at least \$40 per month):
 - Acquisition charge not in excess of 10% of the amount of principal; and
 - Installment account handling charge in an amount no greater than the following:
 - \$12 per month on loan of at least \$100 but no more than \$300;
 - \$14 per month on loan of more than \$300 but no more than \$400;
 - \$16 per month on loan of more than \$400 but no more than \$500;
 - \$17 per month on loan of more than \$500 but no more than \$800;
 - \$20 per month on loan of more than \$800 but less than \$1,000.
 - For loan made under alternative rate structure, no insurance charge or interest surcharge is permitted. § 5-18-15(m)(4).
- Any lender may lend at 2 percentage points above the prime rate. § 8-8-14(b).

What loan fees are allowed? Recording fees. § 5-18-15(g).

What types of insurance are allowed, and any limits the lending statute places on charges? May require property insurance on collateral and offer credit life, disability, and unemployment insurance. §§ 5-18-17, 5-19-20.

For loan made under alternative rate structure (see above), no insurance charge is permitted. § 5-18-15(m)(4).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 5-18-15(h).

Does statute restrict balloon payments or irregular payment schedules? Every loan contract must require payment in installments at approximately equal periodic intervals (except to accommodate seasonal income). No installment contracted for shall be substantially larger than any preceding installment. §§ 5-18-15(i), 5-18-16(c).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Rule of 78s refund (sum of the balances method) for full prepayment; statute also specifies rebate rules when borrower makes partial prepayment of three or more installments. § 5-18-15(d). For prepayment in full of loan made under alternative rate structure (see above), the installment account handling charge is subject to refund, but not the acquisition charge. § 5-18-15(m)(3). Prepayment penalties are likely prohibited because not specifically permitted. See § 5-18-15(h).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute prohibits licensee from taking a lien upon real estate, except a judgment lien. § 5-18-4.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report in form prescribed by supervisor, who shall publish annual analysis and recapitulation. § 5-18-11(b).

Other significant features: Prohibits loan-splitting. §§ 5-18-15(h), 5-18-18. Anti-evasion provision. § 5-18-4(c).

Ala. Code §§ 5-19-1 to 5-19-33 (Consumer Credit Act or "Mini-Code").

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies generally to all creditors, except pawnbrokers, insurance agents or agencies that charge collection fee on unpaid balances for insurance premiums, and policy loans by life insurance companies. In addition, provisions other than that § 5-19-1(1) (definition of "finance charge") and § 5-19-3 (maximum finance charges), do not apply to:

- A transaction involving an interest in real property where creditor is exempt from licensing.
- Non-consumer transactions.
- A credit transaction by a tax-exempt trust or by a bank or trust company in its capacity as a fiduciary under any qualified employer stock bonus, pension, or profit-sharing plan.
- A municipal pension system created under Alabama law.

§ 5-19-31.

Licensure requirements and implications of licensure: With exceptions for banks, savings or building and loan associations, savings banks, other thrift institutions, bank holding companies, thrift holding companies, credit unions, and federally constituted agencies, a license is required to make consumer loans to Alabama residents or take assignments of consumer credit contracts. § 5-19-22(a). Any person licensed under the Small Loan Act may engage in business under that Act, but shall not make loans in excess of \$1,000 unless such person is also licensed under this Act. § 5-19-22(f). If lender makes loan without a license, it may still bring suit on the loan, but only after acquiring licensure. § 5-19-19(b).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute has certain provisions that apply to loans under

\$2,000 and loans over \$2,000. For closed-end loans of \$1,000 or less that are payable in installments, term shall be no more than 36 months and 15 days, and no more than 24 months and 15 days if the original amount financed is \$300 or less. § 5-19-18.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- For loan of less than \$2,000: Add-on rates of \$15 per \$100 per year for the first \$750, plus \$10 per \$100 per year for remainder. In addition, lender may charge an interest surcharge of 6% of the first \$2,000 of the amount financed. § 8-8-14(a).
- For loan of \$2,000 or more: Any rate, subject to “all laws relating to unconscionability in consumer transactions.” § 5-19-3(e) (incorporating § 8-8-5).

What loan fees are allowed? Account maintenance fee of \$3.00 for each month, which shall not bear interest. § 5-19-33(a).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life, disability, and involuntary unemployment insurance; property insurance on collateral and liability insurance, but only if original amount financed is \$300 or more and the value of the property is \$300 or more; non-filing insurance; other insurance as allowed by rule. § 5-19-20.

Does statute prohibit all other fees besides those specifically allowed? Statute provides penalties for charging a finance charge in excess of the amount authorized by the statute, § 5-19-19(a), but otherwise is silent.

Does statute restrict balloon payments or irregular payment schedules? Debtor has right to refinance any balloon payment on terms at least as favorable as the original terms, except where payments have been adjusted to conform to the debtor’s seasonal or irregular income, or loan is repayable in a single principal payment irrespective of the scheduled interest payments. § 5-19-7. For closed-end transactions where debt is payable in installments and in which

original amount financed is \$1,000 or less, debt shall be scheduled to be payable in substantially equal installments at equal periodic intervals, except to the extent that the schedule of payments is adjusted to the seasonal or irregular income of the debtor or when the transaction is a single principal payment obligation irrespective of the scheduled interest payments. § 5-19-18.

Any restrictions on refinancing? If loan is renewed or refinanced within first 120 days, debtor is entitled to pro rata refund of finance charge. § 5-19-4(h).

Any rebate requirements or restrictions on prepayment penalties? Debtor may prepay without penalty. §§ 5-19-3(d)(3), 5-19-4(c). For loan with original term of more than 61 months, actuarial rebate; for all other transactions, Rule of 78s (sum of the balances), but no refund of less than \$1.00 need be made. § 5-19-4(c). When creditor has charged the 6% interest surcharge permitted by § 8-8-14, and borrower prepays within first 90 days, borrower is entitled to pro rata rebate of the surcharge, except that creditor may retain \$25. § 8-8-14(a).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute is silent.

Does statute prohibit unconscionable loan charges? Yes. § 5-19-16. *See also* § 8-8-5(a) (allowing agreed rate transactions but subjecting them to this unconscionability rule).

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Loan-splitting prohibited. § 5-19-17.

ALASKA

Alaska Stat. §§ 06.20.010 to 06.20.920 (Small Loans Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? All lenders except:

- Exception from license requirement only: Banks, savings banks, trust companies, building and loan associations, and credit unions. § 06.20.010(b).
- Complete exemption: Individual loans by pawn-brokers where separate and individual loans do not exceed \$750 or loan shops where separate and individual loans do not exceed \$500. § 06.20.330.

Licensure requirements and implications of licensure:

A license is required for the business of making loans up to \$25,000 at an interest rate greater than otherwise permitted by law for non-licensees. §§ 06.20.010(a), 06.20.300. Non-licensee is limited to rate that can be charged without a license, § 06.20.300, and loan is unenforceable if more interest has been charged than permitted by the Act, § 06.20.310.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Law applies to loans of \$25,000 and less. Except for open-end loans under § 06.20.285, licensee may not enter into loan that provides for a scheduled repayment of principal over more than the maximum terms set out below opposite the respective size of loans.

PRINCIPAL AMOUNT OF LOAN	MAXIMUM TERM
up to \$1,000	24 and 1/2 months
Over \$1,000 to \$2,500	48 and 1/2 months
Over \$2,500 to \$5,000	60 and 1/2 months
Over \$5,000 to \$25,000	as agreed to by the parties

§ 06.20.250(c).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? For loan up to \$25,000:

- 36% on first \$850;
- 24% on amount over \$850 but not exceeding \$10,000; and
- Any rate agreed by contract on remainder.

§ 06.20.230. For amounts greater than \$25,000, a licensee may not charge more interest than allowed for non-licensees. § 06.20.280.

What loan fees are allowed? Recording fees, or non-filing insurance premiums that do not exceed these fees. For loans over \$10,000, whether or not secured by an interest in real estate: reasonable costs and fees paid by a licensee for appraisals, surveys, title insurance or reports, and credit reports. § 06.20.260(a).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit insurance (defined as credit life insurance, credit disability insurance, and credit unemployment insurance), insurance on pledged property, and non-filing insurance. § 06.020.260.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 06.20.260.

Does statute restrict balloon payments or irregular payment schedules? Yes, payments must be in substantially equal amounts and must be due at least once a month, with the first payment beginning no later than 45 days from the date the loan is made. There are exceptions for seasonal or extraordinary income. § 06.20.250(d), (e).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Statute is silent on rebate requirements. Prepayment penalties are likely prohibited because not authorized by § 06.20.260. Lender must permit payment to be made in advance in any amount at any time. § 06.20.270(3).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute does not include restrictions on security interests. It refers to credit insurance on pledged property and to loans

secured by interests in real estate, so appears to contemplate these security interests. § 06.20.260(a)(2), (4).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report containing information as the department may reasonably require. § 06.20.190.

Other significant features: Loan-splitting prohibited. § 06.20.240.

Alaska Stat. § 45.45.080 (Installment Loans).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to any "lender of money." § 45.45.080(a).

Licensure requirements and implications of licensure: Statute is silent.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Loan not exceeding \$10,000. Period of not over 7 years. § 45.45.080(b).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Interest at \$6 a year for each \$100 (true annual interest rate for "add-on method" of computation at a rate not to exceed 11.1%; or "true annual interest rate for 'discount method' of computation at a rate not to exceed 11.8 percent) upon the original face amount of the instrument evidencing the loan for the entire period of the loan." § 45.45.080(b).

What loan fees are allowed? Recording fees. § 45.45.080(c)(3), (4).

What types of insurance are allowed, and any limits the lending statute places on charges? Lender may charge premiums paid by lender for insurance required or obtained as security for or by reason of the installment loan. § 45.45.080(c)(2).

Does statute prohibit all other fees besides those specifically allowed? Yes. The only charges permitted are specified in § 45.45.080(c).

Does statute restrict balloon payments or irregular payment schedules? Yes. Loan must be repayable in substantially equal installments. § 45.45.080(b).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Rule of 78s (sum of the balances method), but no refund of less than \$5.00 need be made. § 45.45.080(b).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? No limits indicated. Statute provides that lender may charge interest on loan "upon the security of personal property or otherwise." § 45.45.080(a).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

ARIZONA

Ariz. Rev. Stat. Ann. §§ 6-601 to 6-638 (Consumer Lenders Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Primarily non-bank lenders making at least three consumer loans per calendar year to state residents. Specific exclusions:

- Banks, savings banks, trust companies, savings and loan associations, profit sharing and pension trusts, credit unions, insurance companies, and receiverships.
- Licensed pawnbrokers.
- Lenders making fewer than two such loans per calendar year to state residents (see § 6-601(16)(b)).
- Mortgage brokers.
- Certain educational loans.

§ 6-602

Licensure requirements and implications of licensure: License required to engage in consumer lender business (making loans of \$10,000 or less) unless exempt. § 6-603(A). Loan made by unlicensed lender is void. § 6-613(B).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Maximum loan size subject to statute: \$10,000 or less. §§ 6-601(7), 6-602(B). Maximum loan term for consumer loans:

- 24 months and 15 days for loans up to \$1,000.
- 36 months and 15 days for loans greater than \$1,000 but no more than \$2,500.
- 48 months and 15 days for loans greater than \$2,500 but no more than \$4,000.
- 60 months and 15 days for loans greater than \$4,000 but no more than \$6,000.
- Any agreed on time period for loans of more than \$6,000.

§ 6-637(A).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 36% on first \$3,000 and 24% on remainder. § 6-632(A).

What loan fees are allowed?

- Recording fees, or cost of non-filing insurance up to that amount. § 6-635(A)(3).
- Loan origination fee of 5% of loan, capped at \$150. § 6-635(A)(4).

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance on collateral, life insurance, credit disability insurance, and credit unemployment insurance. §§ 6-636, 6-638.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 6-635(C).

Does statute restrict balloon payments or irregular payment schedules? Consumer loans: Yes, note must provide for approximately equal periodic installments. § 6-637(B). See also § 6-634(A).

Any restrictions on refinancing? Prohibits charging of a loan origination fee if loan is refinanced within one year. § 6-635(A)(4)(a).

Any rebate requirements or restrictions on prepayment penalties? Lender must allow prepayment at any time. § 6-637(F). Actuarial rebate. § 6-634(B).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Statute is silent, but references in various sections appear to contemplate security interests in personal and real property. See, e.g., §§ 6-635(A)(3) and § 6-636(E) (referring to property insurance and security interests).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Criminal usury statute, § 13-2208, only criminalizes charging interest greater than authorized by other law.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report in form prescribed by superintendent, including lender's standard APRs for several types of loans, including a \$500 unsecured consumer loan payable in 12 equal monthly installments, a \$2,500 consumer loan secured by a motor vehicle payable in 36 equal monthly installments, and a \$9,000 consumer loan secured in full by real property payable in 120 equal monthly installments, Superintendent must compile quarterly report of the standard APRs. §§ 6-609, 6-635(D).

Other significant features: Anti-evasion provision. § 6-603(B). Referral fees prohibited. § 6-611(B).

ARKANSAS

Ark. Const. amend. 89; Ark. Code Ann. §§ 4-57-101 to 4-57-108 (Consumer Loans and Credit Sales).

What types of lenders does it apply to (e.g., banks vs. non-banks)? All loans other than bonds issued and loans made by governmental units, and loans by federally insured depository institutions. Ark. Const. amend. 89, §§ 1, 2.

Licensure requirements and implications of licensure: Statute and constitution are silent.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute and constitution are silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute and constitution are silent.

What rate of interest is allowed? 17%. Ark. Const. amend. 89, § 3; Ark. Code Ann. § 4-57-104.

What loan fees are allowed? Statute and constitution are silent.

What types of insurance are allowed, and any limits the lending statute places on charges? Statute and constitution are silent.

Does statute prohibit all other fees besides those specifically allowed? Yes. Ark. Code Ann. § 4-57-105.

Does statute restrict balloon payments or irregular payment schedules? Statute and constitution are silent.

Any restrictions on refinancing? Statute and constitution are silent.

Any rebate requirements or restrictions on prepayment penalties? Statute and constitution are silent.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Statute and constitution are silent.

Does statute prohibit unconscionable loan charges? Statute and constitution are silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute and constitution are silent.

Is lending under this statute exempt from state criminal usury law? Statute and constitution are silent.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute and constitution are silent.

Other significant features: Not applicable.

CALIFORNIA

Cal. Fin. Code §§ 22000 to 22757 (West) (Finance Lenders Law).

What types of lenders does it apply to (e.g., banks vs. non-banks)? "Finance lender" includes any person engaged in the business of making consumer loans

(defined by § 22204 to include loans of less than \$5,000 for non-consumer purposes) or making commercial loans. § 22009. “Finance lender” includes any person engaged in the business of making consumer loans as defined in § 22203 or making commercial loans of \$5,000 or more, § 22009. Consumer loans also include commercial loans of less than \$5,000 as defined by § 22204. The above statute does not apply to:

- Banks, trust companies, savings and loan associations, insurance premium finance agencies, credit unions, small business investment companies, community advantage lenders, or California business and industrial development corporations.
- Licensed pawnbrokers (when acting under the authority of that license).
- Licensed payday lenders.
- Check cashers holding valid permit.
- College or university making loan for program or course of study leading to a degree or certificate.
- Broker-dealer acting pursuant to a certificate under state law.
- Person who makes 5 or fewer commercial loans in a 12-month period, if the loans are incidental to the person’s business § 22050.
- A public corporation, public entity other than the state, or any of their agencies (§ 22050).
- Certain agricultural credit (§ 22051).
- Retail sales contracts (§ 22054).
- Premium financing (§ 22055).
- Loans under certain state development and waste management programs (§ 22056).
- Cemetery brokers (§ 22058).
- Certain credit cards issued by an organization to its members for a fee designed to cover the administrative costs of the plan (§ 22052).
- Loan made or arranged by state-licensed real estate broker and secured by a lien on real property, or made to a licensed real estate broker who is making such a loan, even if loan is then sold to a finance lender (§ 22057).

- Loans made or arranged by licensed residential mortgage lender or servicers (§ 22060).
- Nonprofit church extension funds (§ 22061).
- Certain commercial bridge loans (§ 22062).
- Loans made by franchisors to franchisees (§ 22063).
- Certain investments by charities and foundations (§ 22064).

The Finance Lenders Law has a structured regulatory threshold of loan amounts of \$2,500, \$5,000, and \$10,000 or more in which certain interest rates, fees, and other charges are exempt as summarized in § 22250 and § 22251. Loans of \$5,000 or more are exempt from some of the Act’s provisions. Loans of \$10,000 or more are largely exempt from the provisions relevant to these summaries. § 22250.

Licensure requirements and implications of licensure: Must have license to engage in business of making consumer loans. §§ 22100(a), 22009 (definition of finance lender). Willful violation of any provision of Act renders loan void. §§ 22750.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Closed-end loan, other than certain student loans, must be repayable over no more than:

- 24 months and 15 days if less than \$500;
- 36 months and 15 days if at least \$500 but less than \$1,500.
- 48 months and 15 days if at least \$1,500 but less than \$3,000.
- 60 months and 15 days if at least \$3,000 but less than \$5,000.

§ 22334. Loan under Pilot Program for Increased Access to Responsible Small Dollar Loans must be repayable over a period of no less than:

- 90 days if less than \$500.
- 120 days if at least \$500 but less than \$1,500.
- 180 days if at least \$1,500 (but no more than program’s cap of \$2,500).

§ 22370(a)(5).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- For loans of less than \$2,500: 2.5% per month on first \$225; 2% per month on amount over \$225 but no more than \$900; 1.5% per month on amount over \$900 but no more than \$1,650; and 1% per month on remainder. § 22303.
- Alternative rate for loans less than \$2,500: The greater of 1.6% per month on the unpaid principal balance or 5/6 of 1% per month plus a percentage per month equal to 1/12 of the annual rate prevailing on the 25th day of the second month of the quarter preceding the quarter in which the loan is made, as established by the Federal Reserve Bank of San Francisco. § 22304.
- For the Pilot Program for Increased Access to Responsible Small Dollar Loans: As an alternative to the charges authorized by §§ 22303 or 22304 (see above), an approved licensee may charge: (1) the lesser of 36% or the sum of 32.75% plus the United States prime lending rate on the first \$1,000 of the principal and (2) the lesser of 35% or the sum of 28.75% plus the United States prime lending rate on the remainder. § 22370(b).
- Statute does not state a limit on interest rate for loans of \$2,500 or more.

What loan fees are allowed?

- For loans of \$2,500 or less: Administrative fee of 5% or \$50 (of the bona fide loan amount), whichever is less.
- For loans of more than \$2,500 but less than \$5,000: \$75.
- \$5,000 or more: Limits do not apply.

§§ 22250, 22305. Recording fees, and any premium for non-filing insurance. § 22336 (limited to actual statutory fee paid to public officer). For loans made under Pilot Program for Increased Access to Responsible Small Dollar Loans: approved licensee may charge administrative fee of: (1) 7% of the principal

or \$90, whichever is less, on the first loan made to a borrower and (2) 6% of the principal or \$75, whichever is less, on the second and subsequent loans made to that borrower. May not charge same borrower an administrative fee more than once in any 4-month period. § 22370(c).

What types of insurance are allowed, and any limits the lending statute places on charges? Licensee may provide credit insurance, including credit life, disability insurance, and loss-of-income insurance, and property insurance on collateral. §§ 22313, 22314(b) (both are inapplicable to loans of over \$10,000). Credit insurance and property insurance are prohibited for loans under the Pilot Program for Increased Access to Responsible Small Dollar Loans. § 22370(g).

Does statute prohibit all other fees besides those specifically allowed? Yes. §§ 22306, 22326 (but these provisions are applicable only to loans of less than \$5,000). The statute prohibits all other fees besides those specifically allowed by statute such as late fees, NSF fee, and lien fee when provided for in the loan agreements for loans less than \$5,000. For loans of \$5,000 or more, the fees must be provided for in the loan agreement and limited to actual cost.

Does statute restrict balloon payments or irregular payment schedules? Closed-end loan of less than \$10,000, other than educational loan, must be payable in substantially equal periodical installments. § 22307(b), (c) and Cal. Code Regs. tit. 10, §1453.

Any restrictions on refinancing? No administrative fee for refinancing unless at least one year since receipt of a previous administrative fee. § 22305. For loans made under Pilot Program for Increased Access to Responsible Small Dollar Loans, refinancing is prohibited unless borrower has repaid at least 60% of principal, is current on the loan, meets ability-to-repay requirements, and, if loans are for personal, family, or household purposes, has not previously refinanced the outstanding loan more than once. An administrative fee shall not be charged for refinancing unless at least 8 months have passed since the receipt of a previous administrative fee paid by the borrower. § 22370(c)(3), (4).

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay at any time. For loans less than \$10,000, no prepayment penalty may be charged due to the fact that all payments must be substantially equal with no balloon payment. § 22307(b), (c); Cal. Code Regs. tit. 10, § 1453. For loan over \$10,000, any prepayment penalty intended to be collected must be provided for in the loan agreement. §§ 22337, 22400(a)(2). Borrower is entitled to actuarial rebate of precomputed interest, but no refund need be made if less than \$1.00. §§ 22400(a)(2), 22402.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Security interest in real property, other than judgment lien, is prohibited for consumer loan of less than \$5,000. § 22330. Loans under the Pilot Program for Increased Access to Responsible Small Dollar Loans must be unsecured. § 22370(a)(1). Under the Finance Lenders Law, loans may be unsecured, secured by personal property, secured by real property, and or by business equipment. Postdated checks may be accepted by a lender. ACH authorizations are permitted only if requested by the borrower and cannot be a requirement of the loan by the lender.

Does statute prohibit unconscionable loan charges? Yes. § 22302 (applying unconscionability prohibition of Civil Code § 1670.5 to all loans subject to the Act).

Must lender underwrite or evaluate borrower's ability to repay? Yes. § 22370(f)(4) (Pilot Program for Increased Access to Responsible Small Dollar Loans); Cal. Code Regs. tit. 10, § 1452 (all loans made under California Finance Lenders Law).

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable. Note also that § 22002 exempts credit transactions governed by this Act from state constitution's interest rate cap.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report with relevant information in form prescribed by commissioner. Reports shall be made available to the public for inspection except,

upon lender's request, the balance sheet contained in the annual report of a sole proprietor or any other non-publicly traded persons. Commissioner must file composite report annually. §§ 22159, 22160. Lender participating in the Pilot Program for Increased Access to Responsible Small Dollar Loans must file annual report separate from any other annual report licensee may have to file. § 22367. On or before July 1, 2015, and again, on or before January 1, 2017, the commissioner shall post a report on his or her Internet website summarizing utilization of the Pilot Program for Increased Access to Responsible Small Dollar Loans. § 22380.

Whether the law authorizes open-end credit: Yes. § 22450.

Other significant features: Prohibition against lending more than the borrower wants. § 22251. Loan-splitting prohibited (but this section does not apply to loans of \$5,000 or more). § 22327. Anti-evasion provisions. §§ 22326 (inapplicable to loans of \$5,000 or more), 22335.

COLORADO

[Colo. Rev. Stat. §§ 5-1-101 to 5-13-103 \(Consumer Credit Code\).](#)

What types of lenders does it apply to (e.g., banks vs. non-banks)? All creditors extending consumer credit except loans to government, non-installment sales of insurance, certain transactions under public utility or common carrier tariffs, certain transactions with pawnbrokers, certain aspects of transactions involving securities and commodities accounts, and certain state-guaranteed loans. § 5-1-202. Some provisions apply just to "supervised lenders," defined as depository institutions and licensed lenders, or to "supervised loans," defined as consumer loans at more than 12%. § 5-1-301(46).

Licensure requirements and implications of licensure: Must be a supervised financial organization (defined by § 5-1-301(45) as taking deposits) or have obtained a license in order to engage in the business of making supervised loans (defined by § 5-1-301(47)

as consumer loans at more than 12%) or to collect on them. §§ 5-2-301. If lender makes supervised loan without a required license, consumer is not required to pay the finance charge. § 5-5-201.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: “Consumer loan” means a loan made or arranged by a person regularly engaged in the business of making loans in which either the principal does not exceed \$75,000 or the debt is secured by land. § 5-1-301(15). Closed-end supervised loan of \$1,000 or less shall be payable over no more than 25 months; for loan of more than \$1,000 but not more than \$3,000, over no more than 37 months. § 5-2-308. The minimum term of a loan made pursuant to § 5-2-214 (alternative charges for loans not exceeding \$1,000) shall be 90 days and the maximum term shall be 12 months. § 5-2-214(2).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- For a consumer loan other than a supervised loan, 12%, but lender may charge minimum of \$25. § 5-2-201(1), (7).
- For a supervised loan, the greater of either: (a) 36% on first \$1,000, plus 21% on next \$2,000, plus 15% on remainder or (b) 21%. In either case, lender may charge minimum of \$25. § 5-2-201(2), (7).
- In the alternative, for a supervised loan of \$1,000 or less with a term of at least 90 days but no more than 12 months that is repayable in substantially equal installments, supervised lender may charge: (1) an acquisition charge of 10% of the amount financed (7.5% for a refinancing); and (2) a monthly installment account:

AMOUNT FINANCED	PER MONTH CHARGE
\$100.00–\$300.00	\$12.50
\$300.01–\$500.00	\$15.00
\$500.01–\$750.00	\$17.50
\$750.01–\$1,000.00	\$20.00

§ 5-2-214(1), (2). Creditor may contract for prepaid finance charge, but total finance charge shall not exceed that permitted for consumer credit transactions. § 5-2-207(1).

What loan fees are allowed?

- Official fees and taxes.
- Reasonable charges for other benefits conferred on the consumer if they meet certain requirements and are authorized by the administrator.

§ 5-2-202(1).

What types of insurance are allowed, and any limits the lending statute places on charges? Creditor may provide and charge for insurance. § 5-4-104. Statute specifically mentions property insurance, liability insurance covering liability arising out of ownership or use of property related to the credit transaction, and credit life, accident, and health insurance. §§ 5-2-202(3), 5-4-301, 5-4-303. Creditor may not charge for property insurance unless the amount financed is \$1,000 or more and the value of the property is \$1,000 or more. § 5-4-301.

Does statute prohibit all other fees besides those specifically allowed? Consumer is not required to pay a charge in excess of that allowed by the statute. § 5-5-201(2). In addition, for loans subject to the alternative charges authorized by § 5-2-214, statute provides that no charge is allowed other than those specifically provided for. § 5-2-214(3).

Does statute restrict balloon payments or irregular payment schedules? Supervised closed-end loans of \$3,000 or less (with exception for seasonal or irregular income), and all loans made pursuant to § 5-2-214 (alternative charges for loans not exceeding \$1,000) shall be scheduled to be payable in substantially equal installments at equal periodic intervals. §§ 5-2-214(2), 5-2-308. Consumer has right to refinance any balloon payment at creditor’s prevailing rates if the consumer meets the creditor’s normal credit standards and if the creditor is still in the business of making such transactions, unless schedule was

adjusted for borrower's seasonal or irregular income. § 5-3-208.

Any restrictions on refinancing? If loan is refinanced within one year, prepaid finance charge can be imposed only on new money portion, or lender must rebate unearned portion of prepaid finance charge. § 5-2-207(2). A lender may not refinance a loan made pursuant to § 5-2-214 (alternative charges for loans not exceeding \$1,000) more than 3 times in one year. § 5-2-214(8).

Any rebate requirements or restrictions on prepayment penalties? For precomputed obligation with 61 or fewer installments, Rule of 78s (sum of the balances method), but creditor may retain a minimum charge contracted for, up to \$25; otherwise, actuarial. No rebate of less than \$1.00 is required. § 5-2-211. Special rules for rebates upon prepayment of loans made under § 5-2-214. § 5-2-214(4), (5).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? For a consumer loan of \$3,000 or less, security interest in land is prohibited and void. § 5-3-204. Wage assignment is prohibited and unenforceable. § 5-3-206. No collateral is allowed for any loan made pursuant to § 5-2-214 (alternative charges for loans not exceeding \$1,000). § 5-2-214(7).

Does statute prohibit unconscionable loan charges? Yes: § 5-5-109.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury statute, which makes it a crime to charge more than 45%, provides that it is inapplicable to charges and fees permitted by the Consumer Credit Code. § 18-15-104.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report in form prescribed by administrator. Information contained in annual reports may be published only in composite form. § 5-2-304(2).

Other significant features: Prohibits loan-splitting. § 5-3-205.

[Colo. Rev. Stat. §§ 5-3.1-101 to 5-3.1-123 \(Deferred Deposit Loan Act\).](#)

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to all persons who make or arrange deferred deposit loans (payday loans). § 5-3.1-102(5).

Licensure requirements and implications of licensure: Supervised lender's license required to engage in business of deferred deposit loans. § 5-3.1-116.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Loans for more than \$500 prohibited. § 5-3.1-106. No maximum loan term, but minimum is six months. § 5-3.1-103.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Applies only to loans for which creditor takes a dated instrument (including an ACH authorization). § 5-3.1-102(3).

What rate of interest is allowed? 20% of the first \$300 loaned plus 7½% of the remainder. May also charge 45% interest. § 5-3.1-105.

What loan fees are allowed? Monthly maintenance fee of \$7.50 per \$100.00 loaned, up to \$30.00 per month. This fee may be charged for each month the loan is outstanding 30 days after the date of the original loan transaction. § 5-3.1-105.

What types of insurance are allowed, and any limits the lending statute places on charges? Insurance charges are prohibited because they are not specifically authorized. § 5-3.1-105.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 5-3.1-105.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Must be 30-day waiting period between loans. § 5-3.1-106. Loan may not be renewed more than once. § 5-3.1-108. Upon renewal of a loan, lender may assess an additional

finance charge not to exceed an APR of 45%. § 5-3.1-108(2). Nothing prohibits lender from refinancing a deferred deposit loan as a supervised loan subject to the provision of the Consumer Credit Code, articles 1 to 9, except that lender may not charge the minimum finance charge contained in § 5-2-201(7) (\$25). § 5-3.1-108(4).

Any rebate requirements or restrictions on prepayment penalties? Lender must accept prepayment and may not charge a penalty. § 5-3.1-103 Borrower who pre-pays is entitled to pro rata rebate of interest based on the ratio of time left before maturity to loan term, but is not entitled to a rebate of the other finance charges. § 5-3.1-105.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Definition describes “dated instrument” as “sole security.” § 5-3.1-102(3), (4).

Does statute prohibit unconscionable loan charges? Yes. § 5-5-109 (made applicable to these loans by §§ 5-3.1-119 and 5-3.1-122). However, if lender complies with requirements addressing ability to repay (see below), and the loan otherwise complies with this and other applicable law, neither the consumer’s inability to repay nor the lender’s decision to obtain or not obtain additional information concerning the consumer’s creditworthiness shall be cause to determine that a loan is unconscionable. § 5-3.1-122(4).

Must lender underwrite or evaluate borrower’s ability to repay? Lender must require consumer to fill out a loan application and provide a pay stub or other evidence of income at least once in each 12-month period. If amount borrowed is not more than 25% of consumer’s monthly gross income and benefits, lender shall not be obligated to investigate the consumer’s continued debt position, and consumer’s ability to repay the loan need not be further demonstrated. § 5-3.1-122(2), (3).

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury statute, which makes it a crime to charge more than 45%, provides that it is inapplicable to charges and fees permitted

by the Consumer Credit Code, of which this article is a part. § 18-15-104.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report in form prescribed by administrator, including proof of licensee’s financial responsibility. Information contained in annual reports may be published only in composite form. §§ 5-2-304, 5-3.1-115.

Other significant features: The provisions of the Consumer Credit Code, articles 1 to 9, apply to a lender unless such provisions are inconsistent with this article. § 5-3.1-119. Anti-evasion provision. § 5-3.1-121. Incorporates prohibition against loan splitting, but provides that it is not a violation if consumer obtains a deferred deposit loan voluntarily and separately from spouse and consumer’s action is documented in writing, signed by consumer, and retained by lender. § 5-3.1-123.

CONNECTICUT

Conn. Gen. Stat. §§ 36a-555 to 36a-573 (Small Loan Law). See also Conn. Agencies Regs. §§ 36a-570-1 to 36a-570-17.

What types of lenders does it apply to (e.g., banks vs. non-banks)? All lenders except banks, credit unions, savings and loan association wholly owned subsidiary service corporations, persons who make loans for agricultural, commercial, industrial or governmental use or extend retail credit through an open-end credit plan, mortgage lenders or mortgage correspondent lenders licensed pursuant to § 36a-489 when making residential mortgage loans, and licensed pawnbrokers. § 36a-555.

Licensure requirements and implications of licensure: Must be licensed in order to make, offer, broker, assist a borrower, or in whole or in part, arrange through a third party or act as an agent for a third party a loan in the amount of \$15,000 or less and charge interest greater than 12%. § 36a-555

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Loans of \$15,000 and less. § 36a-555. A loan governed by this statute shall not originally schedule any repayment of the cash advance over a period in excess of:

- 24 months and 15 days if the amount of the original cash advance was \$1,000 or less; or
- 36 months and 15 days if the amount of the original cash advance was between \$1,000 and \$1,800; or
- 72 months and 15 days if the amount of the original cash advance was over \$1,800. § 36a-568.

In addition, interest rate must be reduced to 12% on any balance scheduled to be repaid after these periods. § 36a-563(h).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? On loan of \$1,800 or less, or any loan that is unsecured or secured only by credit life insurance, add-on interest of \$17 per hundred per year on first \$600 and \$11 per \$100 per year on remainder; on other loans, add-on rate of \$11 per \$100 per year. § 36a-563(a).

What loan fees are allowed? Specified closing costs for loan secured by real property. § 36a-563(i).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life and accident and health insurance. § 36a-566.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 36a-563(h).

Does statute restrict balloon payments or irregular payment schedules? Payments must be substantially equal in amount or so arranged that no installment is substantially greater in amount than any preceding installment, and must be payable at approximately equal intervals not exceeding one month. § 36a-568.

Any restrictions on refinancing? No part of the principal balance remaining unpaid by a borrower 24 months and 15 days after making such contract where the original cash advance was \$1,000 or

less, or 36 months and 15 days where the original cash advance was between \$1,000 and \$1,800, shall directly or indirectly be renewed or refinanced by the lender. § 36a-563(h). No loan shall be renewed or refinanced unless a distinct advantage to the borrower (other than restoration to a contractually up-to-date condition) results therefrom. Conn. Agencies Regs. § 36a-570-4(d). No loan may be refinanced earlier than 90 days after consummation, unless payment is reduced by 10% or \$5, whichever is greater, or at least \$75 in new money is extended. Conn. Agencies Regs. § 36a-570-13.

Any rebate requirements or restrictions on prepayment penalties? Actuarial if loan term exceeds 48 months and 15 days, and otherwise Rule of 78s. No refund of less than \$1.00 need be made. § 36a-563(b), (f). Prepayment is permitted. §§ 36a-563(f), 36a-567. Prepayment penalties are likely prohibited, because not authorized by § 36a-563(h). See also Conn. Agencies Regs. § 36a-570-17(e) (prepayment penalties in mortgage loans exceeding \$5,000).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Security interests in household goods and wage assignments as security are prohibited. Lender may take a security interest in chattels or personal property other than household goods, except that if the cash advance is \$1,800 or less a security interest in an automobile is prohibited. Security interest in real estate is allowed only if cash advance exceeds \$1,800. § 36a-568.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Statute is silent, but criminal usury statute, § 37-4 prohibits interest over 12% only if not otherwise provided by law.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Lender must annually furnish a sworn

statement to commissioner of the condition of the business. § 36a-569.

Other significant features: Loan-splitting prohibited. § 36a-563(h).

DELAWARE

Del. Code Ann. tit. 5, §§ 2227 to 2245 (Regulated Closed-End Credit, Licensed Lenders).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to all persons transacting the business of lending money. Excludes anyone making fewer than 6 loans within a 12-month period and banks, federal credit unions, insurance companies, and anyone lending under other state or federal law. § 2202.

Licensure requirements and implications of licensure: Must have license to transact business of lending money. § 2202. Licensees may make closed-end loans within the limits of this statute. § 2228(a).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Any rate agreed upon. §§ 2229, 2237.

What loan fees are allowed?

- Reasonable fees for services rendered or expenses incurred, such as commitment fees, official fees and taxes, premiums for insurance protecting the licensee against the borrower's default or other credit loss, costs for title examination, inspection, recording and other formal acts necessary or appropriate to the security of the loan, filing fees, attorney fees and travel expenses.

- Other charges that Commissioner includes in a schedule of costs, fees, services, points, premiums and other reasonable expenses.

§ 2231.

What types of insurance are allowed, and any limits the lending statute places on charges? Life, health, accident, health and accident or other permissible insurance on borrower; property and liability insurance on collateral. § 2233.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 2231(3).

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Refinancing and refinancing fees are explicitly authorized under § 2235(a).

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay at any time. Prepayment penalty prohibited except for residential mortgage loan. Actuarial rebate required, but no refund need be made if less than \$5. § 2234. Licensee may not impose any prepayment charge, except that in the case of a residential mortgage loan may charge any prepayment penalty or charge specified in the agreement governing, or the bond, note or other evidence of, the loan. § 2234(e).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Any security is allowed (§ 2228(a)) except an interest in wages. § 2242(a).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that

the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

DISTRICT OF COLUMBIA

D.C. Code §§ 26-901 to 26-912 (Money Lenders Law with licensing provisions), 28-3301 (interest rate limitations).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Licensure law does not apply to “the legitimate business” of national banks, licensed bankers, licensed mortgage brokers, licensed mortgage lenders, trust companies, savings banks, building and loan associations, small business investment companies, or life insurance companies. § 26-910(a).

Licensure requirements and implications of licensure: Must have license to engage in business of loaning money at more than 6%. § 26-901(a).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Licensure law does not apply to loans greater than \$25,000. § 26-912(a)(5). Licensure law also provides that licensed lender cannot make loan of more than \$200. § 26-905. The result appears to be that a lender such as a bank or licensed mortgage broker that is exempt from the licensure provisions of §§ 26-901 to 26-912 may make loans at the 24% interest rate allowed by § 28-3301; and a lender that is subject to the licensure requirements of §§ 26-901 to 26-912 may also make loans at 24% interest, but is limited to loans of \$200 or less. See *In re Parkwood, Inc.*, 461 F.2d 158, 180 (D.C. Cir. 1971) (if lender has obtained a license, then it can charge interest at the rate provided by the code provision, but is limited to loans of \$200 or less).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Licensure law is inapplicable to any loan to a corporation that is unable to plead usury as a defense; to a loan secured by real estate outside the District; or to a loan to a borrower outside the District.

What rate of interest is allowed? 24%. §§ 26-905, 28-3301(a).

What loan fees are allowed? Lender may charge points, but they are limited to 1% of principal unless they buy down the interest rate. § 28-3301(e)(2).

What types of insurance are allowed, and any limits the lending statute places on charges? Statute is silent.

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Statute is silent.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Statute is silent.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Statute is silent.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual statement in the form of a trial balance of its books specifying liabilities and assets, plus such other information as may be called for. § 26-904.

Other significant features: Statute is silent.

FLORIDA

Fla. Stat. §§ 516.001 to 516.36 (Consumer Finance Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Any lender except banks, savings banks, trust

companies, building and loan associations, credit unions, or industrial loan and investment companies. A pawnbroker may not be licensed to transact business under the chapter. § 516.02(4).

Licensure requirements and implications of licensure: Must have license to engage in business of making “consumer finance loans.” § 516.02.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute applies to “consumer finance loans,” defined as those of \$25,000 or less at interest rate over 18%. §§ 516.01(2).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- 30% on first \$3,000.
- 24% on next \$1,000.
- 18% on amount over \$4,000.

§ 516.031(1).

What loan fees are allowed?

- \$25 credit investigation fee. § 516.031(3)(a)(1).
- Brokerage fee on a loan or line of credit of more than \$10,000.
- Documentary excise tax and recording fees or non-filing insurance not exceeding those fees.

§ 516.031(3)(a)(5), (6).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit property, credit life, and disability insurance. § 516.35.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 516.031(a).

Does statute restrict balloon payments or irregular payment schedules? Loan must be repaid in monthly installments as nearly equal as mathematically practicable. § 516.36.

Any restrictions on refinancing? If all or part of the consideration for a new loan contract is the unpaid principal balance of a prior loan with the licensee, the principal amount payable under the new loan contract may include not more than 60 days of unpaid interest accrued on the prior loan. § 516.031(5).

Any rebate requirements or restrictions on prepayment penalties? Statute requires lender to permit repayment at any time, with interest up to date of payment. § 516.15(3). Prepayment penalties are likely prohibited because not authorized by § 516.031.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Security interest in land is prohibited for loan of less than \$1,000. § 516.031(1). Wage assignments are invalid. § 516.17.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Criminal usury statute, § 687.071, prohibits charging more than 45% interest “[u]nless otherwise specifically allowed by law.”

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: No loan splitting allowed. §§ 516.031(4); 516.21. Anti-evasion provisions, specifically addressing sham purchases and sale of wages. §§ 516.02(2), 516.26.

GEORGIA

Ga. Code Ann. §§ 7-3-1 to 7-3-29 (Industrial Loan Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? All lenders making loans of \$3,000 or less at interest rates over 8% simple interest, except banks,

trust companies, real estate loan or mortgage companies, federal savings and loan associations, Georgia building and loan associations, credit unions, pawnbrokers, the state university system or its educational units, to private colleges and universities in state, or to student loan transactions of such entities. §§ 7-3-2, 7-3-6.

Licensure requirements and implications of licensure:

License required for the business of making loans of \$3,000 or less at an interest rate over 8% simple interest, unless expressly exempted. § 7-3-8. Loan made without a required license is void. § 7-3-29(a).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Applies to loans of \$3,000 or less at interest rate over 8%. §§ 7-3-2, § 7-3-6. Statute allows licensee to make loans with terms of no more than 36 months and 15 days. § 7-3-14.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 10% discount interest if loan is for 18 months or less; otherwise, 10% add-on interest. § 7-3-14(1).

What loan fees are allowed?

- Loan fee of 8% of the first \$600 of face amount of contract plus 4% of the excess.
- \$3 maintenance charge for each month in loan contract. § 7-3-14(5).
- Recording fees, or on loans over \$100, non-filing insurance if no more than those fees. § 7-3-15.

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance; life, health, and accident insurance on the principal party. § 7-3-14(3).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 7-3-15.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent but § 7-3-14(1)

refers to single-payment and installment payment schedules.

Any restrictions on refinancing? Lender may not charge 6% origination fee on that part of loan used to pay or apply on a prior loan or installment of a prior loan from the same lender to the same borrower made within preceding 6 months (within the preceding 2 months if loan balance is \$ 300 or less). § 7-3-14(2). Statute prohibits loan to pay balance due on note or contract purchased by the lender until 90 days after purchase. § 7-3-16.

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay all or part of unpaid balance on any installment contract. Prepayment penalties are likely prohibited because not authorized by § 7-3-15. Rule of 78s rebate of interest (sum of the balances method), but no refund of less than \$1 need be made. § 7-3-17. Upon refinancing, lender must also recalculate interest and charges, and if they exceed 5% per month (the criminal usury cap), lender must refund the excess. Ga. Comp. R. & Regs. § 120-1-10-.04.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Statute is silent

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Loans under this statute are not exempt from the criminal usury statute, § 7-4-18, which caps interest at 5% per month, except that the criminal usury statute does not apply to the maintenance charges of \$3 per month allowed by § 7-3-14(5). § 7-3-14(2), (5).

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Commissioner may require annual reports from lenders. § 7-3-12.

Other significant features: Loan splitting prohibited. § 7-3-15.

HAWAII

Haw. Rev. Stat. §§ 412:9-100 to 412:9-501 (“Article 9”) (Financial Service Loan Companies).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Depository and non-depository financial services loan companies. §§ 412:9-100, 412:9-101.

Licensure requirements and implications of licensure: Must have license as financial services loan company to make loans at rates in excess of those permitted by other law. § 412:9-101.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Relevant provisions apply to “consumer loan,” defined to include only those for \$25,000 or less or which are secured by real property or the borrower’s dwelling. § 412:9-100. The maximum term of a precomputed loan is 48 months. If term is more than 48 months, simple interest rate must be charged. § 412:9-302(b).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): This statute (Article 9) applies to loans made at an interest rate higher than permitted by law other than Article 9 (e.g., higher than permitted by the Interest and Usury Law, ch. 478).

What rate of interest is allowed? May charge interest on precomputed basis or simple interest basis (method described in detail). § 412:9-301.

- For precomputed loan with term up to 48 months, may charge interest paid or deducted in advance (i.e., add-on or discount interest) at 14% per year for first 18 months of term, 10.5% per year for next 12 months of term, 7% per year for next 12 months of term, and 4% per year for last 6 months of term. For precomputed loan with term exceeding 48 months, 24% APR (as defined by TILA; i.e., actuarial). §§ 412:9-301, 412:9-302.

- For simple interest loans: 24% simple interest, plus any other charges that are excluded or excludable from the determination of finance charge under TILA. § 412:9-302.

What loan fees are allowed? Fees, charges, and expenses reasonably related to the consumer loan, such as charges for credit reports, recording fees, wire transfer fees, attorney fees for preparing loan documents, and a variety of other listed fees that are actually paid to third parties, affiliates, or subsidiaries for services actually rendered and without kickbacks. § 412:9-304(6). (Rules for loans secured by real property are found in § 412:9-304(5).) Nonrefundable discount, points, loan fees, and origination charges are permitted on simple interest loans, but must be included as interest to determine compliance with the 24% cap; these charges are not permitted if loan is precomputed and interest is determined by the discount or add-on method. § 412:9-304(4).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit-related insurance products, including credit life insurance, credit disability insurance, accident, and health or sickness insurance, involuntary unemployment insurance, personal property insurance, and mortgage protection insurance. § 412:9-200(6). With commissioner’s approval, may also sell accidental death and dismemberment insurance and auto club memberships and home and automobile security plans, whether or not connected with a loan. § 412:9-201.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 412:9-304.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Prepayment penalty is allowed for certain loans secured by real estate, § 412:9-304(2)(A), but not on a variable rate or open-end loan, on a precomputed loan, or on a loan that is not secured by real estate. § 412:9-304(2). If original loan term is less than 60 months, Rule of 78s rebate; otherwise refund of

difference between interest originally charged and actuarially earned. No refund need be made if less than \$1, and lender may retain at least \$15. § 412:9-306. For precomputed loan with original term of 60 months or less, Rule of 78s rebate (sum of the balance method); otherwise actuarial. No refund less than \$1 need be made, and lender may retain minimum charge of \$15. § 412:9-306.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Loan may be unsecured or secured by real or personal property of any kind. § 412:9-200(1).

Does statute prohibit unconscionable loan charges? Statute is silent, but § 412:9-300 requires lender to make loans that are consistent with “prudent lending practices” and “in compliance with all applicable federal and state laws.”

Must lender underwrite or evaluate borrower’s ability to repay? Statute allows lender to make loans “that are consistent with prudent lending practices,” § 412:9-300, but otherwise is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable. (§ 412:9-303 exempts loans made under Article 9 from Hawaii’s general usury statute, §§ 478-5, 478-6, which is a non-criminal statute.)

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

IDAHO

Idaho Code Ann. §§ 28-41-101 to 28-49-107 (Credit Code).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Prescribes maximum charges for all creditors, except those excluded, extending credit as a regular business. § 28-41-107. Does not apply to licensed

pawnbrokers, extensions of credit to government agencies, sales of insurance, or certain transactions under public utility tariffs. § 28-41-202. Banks are exempt from licensing requirement. § 28-46-301(2).

Licensure requirements and implications of licensure: License required for business of making “regulated consumer loans,” defined by § 28-41-301(23), (28), (35), (39), (44) as those payable in at least two installments or for which a finance charge is imposed, or taking assignments of and collecting on such loans. Banks and other depository institutions, licensed mortgage lenders, and governmental agencies are exempt from licensing requirement. § 28-46-301(2). Debtor has right to sue for civil damages if lender makes loan without required license. § 28-45-201(a).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Regulated closed-end consumer loan of \$1,000 or less must be payable over no more than 37 months; over 25 months if \$300 or less. § 28-43-310.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Agreed rate. § 28-42-201(1).

What loan fees are allowed? Any other charge, unless expressly prohibited or limited by the Act. § 28-42-201(1).

What types of insurance are allowed, and any limits the lending statute places on charges? Generally allows creditor to provide and charge for insurance. § 28-44-104. This authority is not explicitly limited to credit insurance, although the statute specifically mentions credit life insurance, property insurance, and liability insurance, §§ 28-44-202(1), 28-44-301(3), 28-44-303. Property and liability insurance must cover property related to the credit transaction. §§ 28-44-301, 28-44-303. Property insurance is allowed only if the amount financed is \$500 or more, the value of the property is \$500 or more, and other conditions are met. § 28-44-303.

Does statute prohibit all other fees besides those specifically allowed? No. In addition to finance charge permitted, creditor may contract for and receive any other charge, except to the extent expressly prohibited or limited by Act. § 28-42-201(1).

Does statute restrict balloon payments or irregular payment schedules? With some exceptions, consumer has right to refinance any balloon payment in a regulated consumer credit transaction. § 28-43-307. Regulated closed-end consumer loans of \$1,000 or less must be payable in substantially equal installments at equal periodic intervals except to adjust for borrower's seasonal or irregular income. § 28-43-310.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Statute allows prepayment penalty in specified amount, but only for certain real-property-secured transactions other than same-lender refinance; otherwise, may prepay in full at any time without penalty. § 28-42-306. Actuarial rebate required if original loan term exceeds 61 months; otherwise, Rule of 78s (sum of the balances method). § 28-42-307(3)(a), (b). For precomputed regulated consumer loan, no rebate required if less than \$1.00. § 28-42-307(1). In addition, for any non-open-end regulated consumer loan, creditor may retain minimum charge of \$5.00 if principal was \$75.00 or less, or \$7.50 if principal was more than \$75. § 28-42-307(2).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignment is prohibited and unenforceable, but debtor may revocably authorize deductions from earnings. § 28-43-304. Security interest in land is prohibited and void unless principal exceeds \$1,000. § 28-43-309.

Does statute prohibit unconscionable loan charges? Yes. § 28-45-106.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report in form prescribed by administrator. § 28-46-304.

Other significant features: Not applicable.

ILLINOIS

815 Ill. Comp. Stat. Ann. § 205/4a (Interest Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies broadly to all installment lenders, but interest rate limits do not apply to most banks or to lenders licensed under Consumer Finance Act or Installment Loan Act. § 205/4a(a).

Licensure requirements and implications of licensure: Statute is silent.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Applies to loans of \$25,000 or less, payable in two or more installments over no more than 181 months. § 205/4a(a).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute excepts purchase money, real estate mortgage loans. § 205/4a(a).

What rate of interest is allowed? 9% add-on interest per year, but cap does not apply to interest rate charged by: (1) any bank that has its main office or a branch in the state; (2) a savings and loan association chartered under state law, a savings bank chartered under state law, a federal savings and loan association established under the U.S. law and having its main office in the state; or (3) any lender licensed under either the Consumer Finance Act or the Consumer Installment Loan Act. § 205/4a(a)(i), (ii). Where the principal of an installment loan is \$300 or more and the repayment period is 6 months or more, a minimum charge of \$15 may be collected instead of interest, but

only one minimum charge may be collected from the same person during one year. § 205/4a(b).

What loan fees are allowed? Recording fees; \$5 service charge if principal is \$800 or less. § 205/4a(b), (e).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life insurance and credit accident and health insurance, but if there are two or more obligors, only one charge for credit life insurance and credit accident and health insurance may be made and only one of the obligors may be required to be insured; property insurance on security other than household goods, furniture, and personal effects. § 205/4a(c), (d).

Does statute prohibit all other fees besides those specifically allowed? Yes. §§ 205/4a(e), 205/5.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? For installment loan of \$300 or less payable over 6 months or more, only one \$15 minimum charge, and only one \$5 service charge may be collected during one year. § 205/4a(b).

Any rebate requirements or restrictions on prepayment penalties? May pay in full at any time. Lender must make rebate of precomputed interest in accord with § 670/15(f)(3), which does not specify calculation method, but § 670/16(m) allows lender to disclose that it is using Rule of 78s (sum of the balances method). § 205/4a(i). Statute refers to prepayment penalties that lender may impose. § 205/4a(f)(12).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute is silent.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury statute "does not apply to any loan authorized to be made by any person licensed under the Consumer Installment

Loan Act or to any loan permitted by Sections 4, 4.2 and 4a of the Interest Act or by any other law of this State." 720 Ill. Comp. Stat. Ann. § 5/17-59(d).

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

205 Ill. Comp. Stat. Ann. §§ 670/1 to 670/27 (Consumer Installment Loan Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Does not apply to banks, savings and loan associations, savings banks, credit unions, or licensees under the Residential Mortgage License Act for residential mortgage loans made pursuant to that Act. Does not apply to business loans or payday loans. § 670/21.

Licensure requirements and implications of licensure: License required to engage in the business of making loans of \$40,000 or less at interest rates higher than could be charged without a license. Payday lenders are ineligible for licenses except to make vehicle title loans. § 670/1.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Amount not exceeding \$40,000. §§ 670/1, 670/15(a). Loan contract must provide for repayment of principal and charges within 181 months. § 670/17. Term of a "small consumer loan" (defined by § 670/15(b) as one for \$4,000 or less at more than 36%, other than a payday or vehicle title loan) cannot exceed 180 days. § 670/17.3(a).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? APR of 36%, except that vehicle title loans have no cap. § 671/16(g). For "small consumer loan" of \$1,500 or less, licensee may charge interest at APR of no more than 99%

calculated in accordance with federal Truth in Lending Act. § 670/17.2(a)(1).

What loan fees are allowed? Recording fees or non-filing insurance up to that amount; \$25 to prepare documents and review credit report. § 670/15d.

- For “small consumer loan” of \$1,500 or less: an acquisition charge of 10% of the amount financed. § 670/17.2(a)(2).
- For “small consumer loan” over \$1,500 (but no more than \$4,000): an acquisition charge not to exceed \$100 for first loan (reduced to \$50 for first refinance and to \$25 for subsequent refinances), and a monthly installment account handling charge, not to exceed the following amounts, but APR calculated in accordance with TILA cannot exceed 99%:

AMOUNT FINANCED	PER MONTH CHARGE
\$1,500.01–\$1,600.00	\$69.00
\$1,600.01–\$1,700.00	\$72.00
\$1,700.01–\$1,800.00	\$75.00
\$1,800.01–\$1,900.00	\$78.00
\$1,900.01–\$2,000.00	\$81.00
\$2,000.01–\$2,100.00	\$84.00
\$2,100.01–\$2,200.00	\$87.00
\$2,200.01–\$2,300.00	\$90.00
\$2,300.01–\$2,400.00	\$92.00
\$2,400.01–\$2,500.00	\$94.00
\$2,500.01–\$2,600.00	\$96.00
\$2,600.01–\$2,700.00	\$98.00
\$2,700.01–\$2,800.00	\$100.00
\$2,800.01–\$2,900.00	\$102.00
\$2,900.01–\$3,000.00	\$104.00
\$3,000.01–\$3,100.00	\$106.00
\$3,100.01–\$3,200.00	\$108.00
\$3,200.01–\$3,300.00	\$110.00
\$3,300.01–\$3,400.00	\$112.00
\$3,400.01–\$3,500.00	\$114.00
\$3,500.01–\$3,600.00	\$116.00
\$3,600.01–\$3,700.00	\$118.00
\$3,700.01–\$3,800.00	\$120.00
\$3,800.01–\$3,900.00	\$122.00
\$3,900.01–\$4,000.00	\$124.00

670/17.2(b). Acquisition charges for “small consumer loans” are to be adjusted for inflation.

§ 670/17.2(e). In addition, lender can charge \$1 on any “small consumer loan” for submitting loan information into consumer reporting service. 670/17.2(c).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life insurance, credit accident and health insurance, involuntary unemployment insurance, credit property insurance, or other credit insurance policies. § 670/15a. Lender may require property damage insurance on real and personal property that is collateral if loan principal exceeds \$500. § 670/15b(a).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 670/15d.

Does statute restrict balloon payments or irregular payment schedules? Interest-bearing loans must be fully amortizing and repayable in substantially equal and consecutive weekly, biweekly, semimonthly, or monthly installments. § 670/15(e)(3). Precomputed loans must be repayable in substantially equal and consecutive weekly, biweekly, semimonthly, or monthly installments, except that the first installment period may be up to one month and 15 days and the first installment amount may be correspondingly larger, and monthly payment dates may be omitted to accommodate seasonal income. § 670/15(f) (1). A “small consumer loan” must be fully amortizing and be repayable in its entirety in a minimum of 6 substantially equal and consecutive payments with a period of not less than 180 days to maturity. § 670/17.3(a).

Any restrictions on refinancing? A licensee is prohibited from refinancing a “small consumer loan” during the first 75 days of the loan term. § 670/17.3(c). For “small consumer loan” of more than \$1,500, allowable acquisition charge is reduced to \$50 for first refinance and to \$25 for additional refinances. § 670/17.2(b)(1)(A), (C).

Any rebate requirements or restrictions on prepayment penalties? Prepayment penalties are likely prohibited because not authorized by § 670/15d. Rule of

78s (sum of the balances method). §§ 670/15(f)(3), 670/16(m). However, for “small consumer loan,” actuarial rebate is required of the unearned interest or unearned portion of the monthly installment account handling charge. § 670/17.2(d).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Security interest in real estate, other than judgment lien, is prohibited for loan of \$3,000 or less. § 670/16b. At the time a loan is made or within 20 days thereafter, a licensee shall not accept a postdated check, or accept a check and agree to hold it for a period of days before deposit or presentment. § 670/19.2. Lender may not condition extension of credit on the borrower’s repayment by preauthorized electronic fund transfers. § 670/15(d-5).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Licensee is prohibited from making a “small consumer loan” (one for \$4,000 or less at more than 36%) to a consumer if the monthly payment exceeds 22.5% of consumer’s documented gross monthly income. § 670/17.4.

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury statute “does not apply to any loan authorized to be made by any person licensed under the Consumer Installment Loan Act or to any loan permitted by Sections 4, 4.2 and 4a of the Interest Act or by any other law of this State.” 720 Ill. Comp. Stat. Ann. § 5/17-59(d).

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving such relevant information as the director may reasonably require. Director may publish an annual analysis and recapitulation. § 670/11(b).

Other significant features: Not applicable.

815 Ill. Comp. Stat. Ann. § 122/2-5 (Installment loan provisions of Payday Loan Reform Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Any lender making payday loans. Banks, savings banks, savings and loan associations, credit unions, and insurance companies are exempt, but their agents are subject to the Act other than the provisions relating to finance charges. § 122/1-15.

Licensure requirements and implications of licensure: Licensure required. § 122/3-3.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Installment payday loan is defined as one for at least 112 days but no more than 180 days in which the creditor requires a post-dated check, ACH access, or a wage assignment. §§ 122/1-10, 122/2-5(c). Statute does not explicitly cap the amount of the loan, but provides an implicit cap by limiting the amount of the payment coming due in first month of the loan, when combined with the payment amount on all other payday loans, to 22.5% of borrower’s gross monthly income.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? \$15.50 per \$100.00 per payment period, computed on outstanding balance. § 122/2-5(e-5).

What loan fees are allowed? \$1 verification fee for checking payday loan database. § 122/2-10(a-5).

What types of insurance are allowed, and any limits the lending statute places on charges? No insurance may be sold in connection with a loan. § 122.4-5(11).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 122/2-10(b).

Does statute restrict balloon payments or irregular payment schedules? Loan must be repayable in substantially equal installments due at intervals of at least 13 days but no more than one month (with exception for minor irregularities in first installment). § 122/2-5(c)(i).

Any restrictions on refinancing? Only one refinancing allowed, and total period of indebtedness may not exceed 180 days; otherwise, rollovers are prohibited. §§ 122/2-5(c)(ii), 122/2-30. Two-day waiting period between loans. § 122/2-5(c)(iii).

Any rebate requirements or restrictions on prepayment penalties? Actuarial rebate required. § 122/2-5(e-5). Consumer has right to prepay in increments of \$5 of more without penalty. § 122/2-35(g).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Security interest in personal property prohibited. § 122/2-5(f). Creditor may take postdated check or authorization to debit borrower's account. §§ 122/1-10 (definition of "payday loan"), 122/2-35. No other security is allowed. § 122.4-5(6), (13).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Loan payments must not exceed specified percentage of borrower's income. § 122/2-5(e).

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury statute "does not apply to any loan authorized to be made by any person licensed under the Consumer Installment Loan Act or to any loan permitted by Sections 4, 4.2 and 4a of the Interest Act or by any other law of this State." 720 Ill. Comp. Stat. Ann. § 5/17-59(d).

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report required, including number and total dollar amount of loans; maximum, minimum, and average dollar amount; average term and APR; and default rate. § 122/2-55.

Other significant features: Anti-evasion provisions. §§ 122/1-15(b), 122/4-5(2). Late charges and collection charges prohibited. § 122/4-5(14).

INDIANA

Ind. Code §§ 24-4.5-1-101 to 24-4.5-6-204 (Uniform Consumer Credit Code).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies broadly to all creditors, except:

- Extensions of credit to government or governmental agencies.
- Most sales of insurance by insurers.
- Certain transactions under public utility, municipal utility, or common carrier tariffs.
- Rates and charges of licensed pawnbrokers.
- Non-consumer loans.
- Installment agreements for purchase of home fuels in which a finance charge is not imposed.
- Federally-related student loans.
- Certain transactions in securities or commodities accounts.
- Certain loans by non-profit organizations or made in connection with state or federal programs.

§ 24-4.5-1-202.

Licensure requirements and implications of licensure: License required to engage regularly in the making of non-mortgage consumer loans, taking assignments of these loans in Indiana or collecting on them in Indiana, but licensing requirement does not apply to lending by depository institutions, their subsidiaries, or credit union service organizations, or to collection by licensed collection agency. § 24-4.5-3-502. Loan made without a required license is void. § 24-4.5-5-202(2).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Relevant statutory provisions apply to any "consumer loan," defined to exclude those exceeding \$53,500 (adjusted for inflation) unless the debt is secured by an interest in land or by personal property used or expected to be used as the debtor's principal dwelling. § 24-4.5-1-301.5(9). Supervised closed-end loans (defined by § 24-4.5-3-501(1) as those at more than 25%) of \$4,000

or less must be payable over no more than 37 months if principal is more than \$1,100 (adjusted for inflation from \$300 pursuant to 750 Ind. Admin. Code § 1-1-1), or over no more than 25 months if the principal is \$1,100 or less. § 24-4.5-3-511(1).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? For consumer loans other than supervised loans: 25%. § 24-4.5-3-201. For supervised loans: Either:

- 36% on first \$2,000 (adjusted for inflation), 21% on next \$2,000 (adjusted for inflation), and 15% on remainder; or
- 25%.

§ 24-4.5-3-508(1), (2).

What loan fees are allowed?

- Official fees and taxes.
- Charges for other benefits, including insurance, conferred on debtor, if the department determines that the benefits are of value to the debtor and if the charges are reasonable in relation to benefits.
- Origination fee of \$50.

§§ 24-4.5-3-201(8)(b), 24-4.5-3-202, 24-4.5-3-508(8).

What types of insurance are allowed, and any limits the lending statute places on charges? Property or liability insurance, credit insurance providing life, accident, unemployment or other loss of income, or health coverage. § 24-4.5-3-202(2). Property insurance is allowed only if amount financed is \$1,110 or more (adjusted for inflation from \$300 pursuant to 750 Ind. Admin. Code § 1-1-1), the value of the property is \$1,100 or more (adjusted for inflation), and other conditions are met. § 24-4.5-4-301.

Does statute prohibit all other fees besides those specifically allowed? Debtor is not required to pay a charge in excess of that allowed by the Code. § 24-4.5-5-202(3).

Does statute restrict balloon payments or irregular payment schedules? Debtor has the right to refinance any balloon payment without penalty, on terms no less favorable than the original terms, except where payment schedule was adjusted to the seasonal or irregular income of the debtor, and except for loans that are interest-only until final payment. § 24-4.5-3-402. Supervised closed-end loans of \$4,000 or less are payable in a single installment or shall be scheduled to be payable in substantially equal installments at equal periodic intervals, except where payments are adjusted to the seasonal or irregular income of the debtor. § 24-4.5-3-511(1).

Any restrictions on refinancing? Statute limits origination fees for refinances. § 24-4.5-3-201(10), 24-4.5-3-508(10).

Any rebate requirements or restrictions on prepayment penalties? Except where loan is primarily secured by land, debtor may prepay in full at any time without penalty. § 24-4.5-3-209. Rule of 78s rebate (sum of the balances method), but actuarial if loan term exceeds 61 months. No rebate required if less than \$1. Origination fee need not be rebated, and lender that does not charge origination fee may retain minimum finance charge of \$30 (adjusted for inflation pursuant to § 24-4.5-1-106). §§ 24-4.5-3-201(9), 24-4.5-3-210, 24-4.5-3-508(7).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignments prohibited and unenforceable, but employee may authorize deductions from earnings if revocable. § 24-4.5-3-403. For supervised loan where principal is \$4,000 or less (adjusted for inflation pursuant to 750 Ind. Admin. Code § 1-1-1), security interest in land is prohibited and void. § 24-4.5-3-510.

Does statute prohibit unconscionable loan charges? Yes. § 24-4.5-5-108.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Indiana's criminal usury law does not exempt UCCC, but it criminalizes charging

more than 45% interest only if lender has a reputation for using violence or other criminal means to collect the debt. § 24-4.5-5-107. *See also* § 35-45-7 (criminalizing lending at more than two times 36% interest).

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report as required by the department. § 24-4.5-3-505(5). Since 2000 the department has accepted a third-party CPA annual report either at the review or audited level at time of application and upon request by the DFI showing a minimum net worth of \$100,000 and minimum liquid assets of \$50,000.

Other significant features: Loan-splitting prohibited. § 24-4.5-3-509.

IOWA

[Iowa Code §§ 536.1 to 536.30 \(Regulated Loan Act\)](#)

What types of lenders does it apply to (e.g., banks vs. non-banks)? Excludes banks, trust companies, building and loan associations, credit unions, licensed pawnbrokers, and domestic corporations operating under chapter 536A (Industrial Loan Law). § 536.20.

Licensure requirements and implications of licensure: License under the Regulated Loan Act is required in order to make loans of \$54,600 or less (adjusted for inflation) at rate greater than a non-licensee could charge, but a “supervised financial organization” (i.e., a depository institution), a licensee under the Industrial Loan Law, or a lender that enters into fewer than 10 supervised loans per year in the state and has neither an office physically located in the state nor engages in face-to-face solicitation in the state need not be licensed. License also required to collect on supervised loans, with three-month grace period. § 536.1 (incorporating the exclusions from licensure found in § 537.2301).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute applies to loans of no more than the “threshold amount” (\$54,600, adjusted for inflation), or less. §§ 536.1, 537.1301.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Until superintendent sets different rates, statute allows 36% on first \$150; 24% on next \$150; 18% on amount over \$300 but not exceeding \$700; and 12% on remainder. § 536.13(4). For loans of \$10,000 or less, superintendent has adopted a rule allowing 36% on first \$1,000; 24% on amount exceeding \$1,000 but not exceeding \$2,800; and 18% on remainder up to \$10,000. Iowa Admin. Code r. 187-15.5(536). For loans over \$10,000, the maximum rate of interest or charges a licensee may charge shall be the greater of the rate permitted by chapter 535 (2 percentage points above a Treasury bill rate, § 535.2(3)(a)(1)) or the rate authorized for supervised financial organizations by chapter 537 (21%). § 536.13(7a).

What loan fees are allowed? Statute’s limits, summarized in the preceding entry, apply to “interest or charges.”

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life and accident and health insurance; property and liability insurance. §§ 536.26, 536.27.

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Must permit prepayment in any amount on any loan at any time. § 536.14(1). Actuarial rebate required, but lender may retain minimum charge of \$5.00 to \$7.50 if loan is prepaid in full. § 536.13 (incorporating UCCC rules).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Iowa's UCCC limits apply. § 536.13(7)(b).

Does statute prohibit unconscionable loan charges? Unconscionability provision of Iowa's UCCC applies. § 536.13(7)(b).

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent, but probability of repayment is a listed factor in determining unconscionability.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving such relevant information as superintendent reasonably may require. Superintendent shall publish annual analysis and recapitulation. § 536.11. Superintendent shall make an annual report containing a summary of license applications approved or denied by the superintendent; a summary of the assets, liabilities and capital structure of all licensees, and volume of consumer installment of credit outstanding per licensee; an estimate of the disbursements of agency funds for consumer credit protection; and other required or appropriate information. § 536.29.

Other significant features: Not applicable.

[Iowa Code §§ 536A.1 to 536A.32 \(Industrial Loan Law\)](#).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Industrial loan companies are defined as corporations operating under the provisions of this law and engaged in the business of loaning money and charging interest or other compensation. § 536A.2(6). Does not apply to:

- Banks, trust companies, building and loan associations, savings and loan associations, insurance companies, regulated loan companies organized under chapter 536, or credit unions.

- Lenders that make only first mortgage real estate loans.
- Licensed real estate brokers or salespersons.
- Persons engaged exclusively in purchasing commodity financing or commercial paper.
- Pawnbrokers.
- Loans to corporations.

[§ 536A.5.](#)

Licensure requirements and implications of licensure: For a loan other than a consumer loan, person shall not engage in the business of operating an industrial loan company in the state without a license. For a consumer loan, must have license in order to engage in the business of operating an industrial loan company without a license, but a "supervised financial organization" (i.e., a depository institution), a licensee under the Regulated Loan Act, or a lender that enters into fewer than 10 supervised loans per year in the state and has neither an office physically located in the state nor engages in face-to-face solicitation in the state need not be licensed. § 536A.3 (incorporating the exclusions from licensure found in § 537.2301). Individuals, partnerships, nonprofit organizations, and unincorporated associations are ineligible for licensure. § 536A.4.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 10% add-on or discount interest per year (10 cents per hundred per year). § 536A.23(1)(a)(1).

What loan fees are allowed? Service charge of \$1 for each \$50 of the amount of the note, up to \$120. § 536A.23(1)(b).

What types of insurance are allowed, and any limits the lending statute places on charges? Insurance on real or

personal property collateral; credit life and accident and health insurance. § 536A.23(1)(c).

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent, except for defining industrial loan company as one that makes loans that are payable in one payment or in weekly, monthly or other periodic installments. § 536A.2(6).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay in whole or part at any time. § 536A.26. Actuarial rebate required, but no rebate less than \$1.00 need be made, and creditor may retain a minimum charge of \$5.00 if amount financed was \$75.00 or less, and \$7.50 if amount financed was more than \$75.00. § 537.2510. § 536A.31 (incorporating UCCC rules).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Iowa's ICCCL limits apply. § 536A.31.

Does statute prohibit unconscionable loan charges? Unconscionability provision of Iowa's UCCC applies. § 536A.31.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent, but probability of repayment is a listed factor in determining unconscionability.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report showing assets and liabilities; operating statement showing income, expenses, and net profit; and other relevant information as superintendent shall reasonably require. Superintendent shall publish annual analysis and recapitulation of such reports. § 536A.14. Superintendent shall make annual report containing: a summary of license applications approved or denied; a summary of the assets,

liabilities and capital structure of all licensees, and volume of consumer installment credit outstanding per licensee; an estimate of the disbursements of agency funds for consumer credit protection; and other required or appropriate information. § 536A.29.

Other significant features: Iowa UCCC applies to consumer loans made by licensees. § 536A.31.

[Iowa Code §§ 537.1101 to 537.8101 \(Consumer Credit Code\).](#)

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies generally to entities extending credit, § 537.1108, but excludes:

- Extensions of credit to government or governmental agencies.
- Non-installment sales of insurance.
- Transactions under public utility or common carrier tariffs in some circumstances.
- Transactions in securities or commodities accounts.
- Pawnbrokers, as to most provisions.

[§ 537.1202.](#)

Licensure requirements and implications of licensure: License required to make supervised loans (defined by § 537.1301(46) as consumer loans that exceed the usual rate cap) or undertake their collection (with 3-month grace period) unless person is a "supervised financial organization" (i.e., a depository institution) or is licensed under the Regulated Loan Act or Industrial Loan Law or enters into fewer than 10 supervised loans per year in the state and has neither an office physically located in the state nor engages in face-to-face solicitation in the state. § 537.2301(2), (3). Consumer has a claim for statutory and actual damages if creditor makes supervised loan without required license. § 537.5201(1)(a)(1).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Closed-end supervised loans of \$1,000 or less must be payable over no more than 37 months, or over 25 months if the amount financed is \$300 or less. However,

lender may make a closed-end loan that is repayable in a single payment if the amount financed does not exceed \$1,000 and if the finance charge does not exceed the rate permitted by § 537.2401(1) to be charged by a supervised financial organization. § 537.2308.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): “Consumer loan” does not include a debt secured by a first lien on real property. § 537.1301(15)(b)(2).

What rate of interest is allowed? For closed-end loan not secured by a motor vehicle certificate of title, any lender may charge the greater of maximum allowed by state or federal law for similar lenders, and supervised lender has additional option of charging 21%. § 537.2401(1).

What loan fees are allowed? Official fees and taxes; registration, certificate of title or license fees; charges for other benefits if valuable to consumer, reasonably priced, and approved by rule. § 537.2501(1). For consumer loan of \$3,000 or less with term of 12 months or less that is not used for purchase of a motor vehicle and is not secured by borrower’s dwelling, depository institution may charge application fee of 10% or \$30, whichever is less. § 537.2501(1)(j).

What types of insurance are allowed, and any limits the lending statute places on charges? Property or liability insurance and credit life, accident, health, and unemployment insurance. § 537.2501(2).

Does statute prohibit all other fees besides those specifically allowed? Consumer is not obligated to pay a charge in excess of that allowed by the Code. § 537.5201(2).

Does statute restrict balloon payments or irregular payment schedules? Closed-end supervised loans of \$1,000 or less must be payable in substantially equal installments at substantially equal periodic intervals except to accommodate debtor’s seasonal or irregular income. However, lender may make a closed-end credit loan that is repayable in a single payment if the amount financed does not exceed \$1,000 and if the finance charge does not exceed 21% or maximum allowed by state or federal law for similar lenders.

§ 537.2308 (incorporating § 537.2401 by reference). Consumer has right to refinance any balloon payment on terms no less favorable than original terms, except where (1) payment was adjusted to debtor’s seasonal or irregular income or scheduled payments on other obligations; (2) loan exceeds \$5,000 and is secured by an interest in land; (3) loan is secured by a motor vehicle certificate of title; or (4) administrator has adopted additional exceptions. § 537.3308.

Any restrictions on refinancing? Where finance charge exceeds 18% per year, rate upon refinancing is limited to original rate. § 537.2504.

Any rebate requirements or restrictions on prepayment penalties? Consumer may prepay in full at any time. § 537.2509. Actuarial rebate required, but no rebate less than \$1.00 need be made, and creditor may retain a minimum charge of \$5.00 if amount financed was \$75.00 or less, and \$7.50 if amount financed was more than \$75.00. § 537.2510.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? For supervised loan with finance charge exceeding 15% and amount financed of \$2,000 or less, security interest in real property used as a residence for the consumer or the consumer’s dependents is prohibited and void. § 537.2307. For supervised loan, non-purchase money security interest in the clothing, dining table and set of chairs, refrigerator, heating stove, cooking stove, radio, beds and bedding, couch, two living room chairs, cooking utensils, or kitchenware used by the consumer, the consumer’s dependents, or the family with whom the consumer resides is prohibited and void. § 537.3301. Wage assignment is prohibited and unenforceable, but borrower may revocably authorize payroll deductions. § 537.3305.

Does statute prohibit unconscionable loan charges? Yes. § 537.5108.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent, but probability of repayment is a listed factor in determining unconscionability.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report in form prescribed by licensing authority relating to all supervised loans made by licensee. § 537.2304(2). Administrator must make annual report to state legislature on the operation of the agencies charged with administering this law, and on the problems of persons of small means obtaining credit. § 537.6104(5).

Other significant features: Loan-splitting prohibited. § 537.3304.

KANSAS

Kan. Stat. Ann. §§ 16a-1-101 to 16a-9-102 (Consumer Credit Code).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Act applies to “consumer credit transactions,” broadly defined. § 16a-1-301(5). Excludes extensions of credit to government or governmental agencies, non-installment sales of insurance, certain transactions under public utility or common carrier tariffs, licensed pawnbrokers (except for disclosure requirements), and transactions covered by the insurance premium finance act. § 16a-1-202.

Licensure requirements and implications of licensure: Must be licensed engage in the business of making supervised loans (ones in which APR exceeds 12%) or taking assignments of them and collecting on them (with 3-month grace period), unless lender is a supervised financial organization (defined by § 16a-1-301(44) as a depository institution). § 16a-2-301(1). Supervised loan made without required license is void. § 16a-5-201(2).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Parts 3 and 4, which include the installment lending provisions, apply to “consumer loans,” defined by § 16a-1-301(17) to exclude: (1) loans, other than those secured by land, where the amount financed exceeds \$25,000; (2) certain first mortgage loans; and (3) loans from

IRS-qualified pension plans. § 16a-2-102. Closed-end consumer installment loan of \$1,000 or less at more than 12% must be payable over no more than 37 calendar months, or over no more than 25 months if amount financed is \$300 or less. § 16a-2-308.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 36% on first \$860, and 21% on remainder. § 16a-2-401(2), (6).

What loan fees are allowed?

- Official fees and taxes.
- Charges for other benefits if valuable to consumer, reasonable in price, and identified by administrator’s rules.
- Prepaid finance charge of 2% of amount financed or \$100, whichever is less (but a higher amount if consumer loan is first or second mortgage or is secured by manufactured home). § 16a-2-401.

§ 16a-2-501.

What types of insurance are allowed, and any limits the lending statute places on charges? Statute generally authorizes creditor to provide and charge for insurance, including vendor’s single interest insurance if insurance has no right of subrogation against consumer, property insurance and liability insurance on property related to the credit transaction, and credit life, accident and health, and loss of income insurance, but not other insurance protecting creditor against consumer’s default or other credit loss. §§ 16a-2-501(2), 16a-4-104(1), 16a-4-301, 16a-4-303. Creditor may charge for property insurance only if amount financed is \$900 or more and the property is worth \$900 or more. § 16a-4-301.

Does statute prohibit all other fees besides those specifically allowed? Consumer is not required to pay any charge in excess of that allowed by the Act, § 16a-5-201(3), but otherwise statute is silent.

Does statute restrict balloon payments or irregular payment schedules? Closed-end consumer installment

loan of \$1,000 or less at more than 12% must be payable in substantially equal installments at substantially equal periodic intervals except to accommodate debtor's seasonal or irregular income. § 16a-2-308. Consumer has right to refinance any balloon payment without penalty on terms no less favorable than the original terms, except for loan secured by real estate mortgage or where payment schedule was adjusted to debtor's seasonal or irregular income. § 16a-3-308.

Any restrictions on refinancing? If loan is refinanced within first 12 months, prepaid finance charge is limited to the lesser of \$100 or 2% of the additional amount financed. § 16a-2-401(9).

Any rebate requirements or restrictions on prepayment penalties? Consumer may prepay in full at any time without penalty. § 16a-2-509. Finance charge must be computed by actuarial method, § 16a-2-103(1), and statute makes no provision for any non-actuarial calculation for rebate due upon prepayment. Upon prepayment in full, but not upon a refinancing, of a closed-end transaction, creditor may retain a minimum charge of \$5.00 if amount financed was \$75.00 or less, or \$7.50 if amount financed was more than \$75.00. § 16a-2-510(1).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Security interest in land is prohibited and void for consumer loan where finance charge exceeds 12% and amount financed is \$3,000 or less. § 16a-2-307. Wage assignment is prohibited and unenforceable, but consumer may revocably authorize payroll deductions. § 16a-3-305.

Does statute prohibit unconscionable loan charges? Yes: § 16a-5-108.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that

the state agency review or take other steps regarding the reports: Annual report in form prescribed by administrator. § 16a-2-304(5).

Other significant features: Loan-splitting prohibited. § 16a-3-304.

KENTUCKY

Ky. Rev. Stat. Ann. §§ 286.4-410 to 286.4-991 (West) (Consumer Loan Companies).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies generally to lenders other than banks, savings banks, trust companies, building and loan associations, cooperative marketing associations, credit unions, loan and investment companies, and licensed pawnbrokers. § 286.4-410(2).

Licensure requirements and implications of licensure: Must have license to engage in business of making loans of \$15,000 or less at rate of interest greater than otherwise permitted by law. § 286.4-420.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: \$15,000 or less. §§ 286.4-420, 286.4-530(1). For loans of \$3,000 or less, term may not exceed 60 months and 15 days. For loans exceeding \$3,000, term may not exceed 120 months. § 286.4-580(2).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- 36% if loan is for \$3,000 or less.
- 24% if loan is for more than \$3,000.

§ 286.4-530(1).

What loan fees are allowed?

- Recording fees, or premium for non-filing insurance if no more than those fees.
- A credit investigation charge of \$1.50 for each \$50.00 or fraction thereof of the principal, but only

on first \$2,000.00 and only if loan is made as a result of the investigation. § 286.4-533(4).

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance on tangible personal property collateral other than household goods, but only if loan exceeds \$300. § 286.4-560(1). Insurance on the life, unemployment, health, and/or disability of the borrower(s). § 286.4-560(2).

Does statute prohibit all other fees besides those specifically allowed? Yes. 286.4-530(10).

Does statute restrict balloon payments or irregular payment schedules? Substantially equal installments at approximately equal periodic intervals, but lender can make adjustments for borrower's seasonal income. § 286.4-580(2).

Any restrictions on refinancing? For same-lender refinancing, principal cannot include unpaid charges that have accrued more than 60 days before the making of the new loan. § 286.4-530(9).

Any rebate requirements or restrictions on prepayment penalties? Prepayment penalties are likely prohibited because not authorized by § 286.4-530(10). Rule of 78s (sum of the balances method), but no refund of less than \$1.00 need be made, and no refund for partial prepayments need be made. § 286.4-530(2), (6).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignments are regulated but not prohibited. § 286.4-570. No licensee shall take any mortgage or other lien instrument upon real estate as security where principal is \$3,000 or less, unless such lien is subject to a prior mortgage. § 286.4-580(3).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving information on financial condition of licensee and other relevant information as the commissioner may reasonably require. Commissioner shall publish annual analysis and recapitulation. § 286.4-590.

Other significant features: Loan splitting prohibited. § 286.4-530(11). Wage assignments are limited to 10% of paycheck. § 286.4-570.

Ky. Rev. Stat. Ann. §§ 286.7-410 to 286.7-990 (West) (Industrial Loan Corporations).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Any five persons may organize an industrial loan company and apply for a certificate of approval to do business. §§ 286.7-410(2), 286.7-420, 286.7-450.

Licensure requirements and implications of licensure: Cannot engage in the business of making loans at a rate of interest in excess of the legal rate of interest prescribed in § 360.010 without obtaining certificate from state unless authorized by other specific statutory provisions. § 286.7-540.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Principal may not exceed \$7,500, and loan must be repayable over no more than 5 years and 32 days. § 286.7-460(1). However, limit on amount of loan is \$10,000 if rates allowed for banks are charged. § 286.7-460(4).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? \$7 per \$100 add-on or discount interest. § 286.7-460(1). May also charge interest on loans or extensions of credit in the same manner and at the same rate as is permitted by § 286.3-215 for banks and trust companies (\$8 per \$100), as long as loan does not exceed \$10,000. § 286.7-460(4).

What loan fees are allowed? \$1 for each \$50 or fraction thereof loaned, for expenses such as investigation and document preparation, but only on the first \$2,000 loaned, and only if loan is made as a result of an examination or investigation; recording fees. §§ 286.7-460(3), 286.7-480.

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance on tangible personal property, except household goods, offered as security for a loan not exceeding \$7,500; life insurance on one borrower; accident and health insurance. § 286.7-480.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 286.7-480.

Does statute restrict balloon payments or irregular payment schedules? Loans must be repayable in substantially equal monthly or weekly installments. § 286.7-460(1).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Prepayment penalties are likely prohibited because not authorized by § 286.7-480. Borrower has right to repay loan in whole or in part at any time. Rule of 78s rebate, but lender may retain \$10 to cover its acquisition costs and need not make rebate of less than \$1. § 286.7-500(2).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? May not take wage assignment or first lien on real estate other than judgment lien, but may take junior lien. § 286.7-510(1).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the

reports: Annual report giving information on company's financial condition and other relevant information as commissioner may reasonably require. § 286.7-530(3).

Other significant features: Loan splitting prohibited. § 286.7-510(2).

LOUISIANA

La. Rev. Stat. Ann. §§ 9:3510 to 9:3568 (Consumer Credit Law).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Relevant provisions apply to consumer loans, broadly defined by § 9:3516(14). Law does not apply to:

- Extensions of credit to organizations, including government or governmental agencies.
- Most non-installment sales of insurance.
- Certain transactions under public utility or common carrier tariffs.
- Motor vehicle credit transactions subject to the Motor Vehicle Sales Finance Act.
- Credit unions.
- Pawnbrokers.
- Extensions of credit for business, commercial, or agricultural purposes.
- Federally related mortgage loans.

§ 9:3512.

Licensure requirements and implications of licensure: May not contract more than 4 transactions over any calendar year without obtaining license. Creditor with in-state office must also obtain license in order to take assignments of and undertake direct collection of payments from or consumer loans and collect them (with three-month grace period). §§ 9:3514, 9:3557. The following are exempt from the licensing requirement:

- Banks, savings and loan associations, and similar institutions.

- A subsidiary of a state-chartered bank, savings and loan association, or similar institution if the parent owns 80% or more of it.
- A trust administered by a bank or a bank trust department.
- Governmental entities.
- Insurance companies making life insurance loans to policyholders.
- A qualified pension plan when extending credit to a plan participant.
- A bona fide pledgee of a consumer credit transaction to secure a bona fide loan thereon.
- A seller or other creditor refinancing a retail installment transaction subject to the Motor Vehicle Sales Finance Act.
- A creditor having no office within the state that offers credit to Louisiana consumers through the mails and other means of interstate commerce.
- Persons whose lending activities pertain to certain federally related mortgage loans, unless otherwise provided by rule.

§ 9:3560.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Maximum finance charge for loan not made with a lender credit card:

- 36% per year on first \$1,400;
- 27% per year on amount exceeding \$1,400 but not exceeding \$4,000;
- 24% per year on amount exceeding \$4,000 but not exceeding \$7,000; and
- 21% per year on remainder.

§ 9:3519(A). In lieu of all other finance charges, lender may contract for and receive a minimum loan finance charge of not more than \$15 when the

amount advanced does not exceed \$200 or \$25 when the amount advanced exceeds \$200. § 9:3519(E).

What loan fees are allowed? Lender may charge:

- \$50 origination fee. § 9:3530(A).
- Non-real estate related notary fees, up to \$15. § 9:3530(B).
- \$20 documentation fee. § 9:3530(C).
- License tag fees; electronic lien and title fees. § 9:3530(F).

What types of insurance are allowed, and any limits the lending statute places on charges? Any type of credit insurance (defined by § 22:47(16) to include credit life, credit health, and disability insurance, accidental death and dismemberment insurance whether or not the benefits are payable toward the credit obligation, credit property and casualty insurance, credit unemployment insurance, vendors single interest insurance, vendors dual interest insurance, credit fire insurance, and GAP insurance authorized by the state insurance code. §§ 9:3542, 9:3543.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 9:3554.1(B).

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute restricts charging of \$50 origination fee when loan is refinanced within first 30 days. § 9:3530(A).

Any rebate requirements or restrictions on prepayment penalties? May prepay in full at any time. § 9:3531(A). Rule of 78s rebate (sum of balances method), but first deduct \$25 if prepayment occurs within first half of contract term, and no rebate less than \$1 is required. Prepaid finance charges need not be rebated upon prepayment in full of a simple interest transaction if original amount financed under the transaction was \$10,000 or more, term was 36 months or longer, and the prepaid finance charges did not exceed 5%. § 9:3532.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute is silent.

Does statute prohibit unconscionable loan charges? Yes. § 9:3551.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Loan-splitting prohibited. § 9:3535.

MAINE

Me. Rev. Stat. Ann. tit. 9-A §§ 2-101 to 6-113 (Consumer Credit Code).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to "consumer loans," broadly defined by § 1-301(14). Does not apply to:

- Non-installment sales of insurance.
- Provision of public utility services.
- Rates and charges for credit unions and pawnbrokers that are set by other law.
- Transactions in securities or commodities accounts.
- Certain educational loans.
- Certain transactions that are secured by first mortgages or that finance or refinance the acquisition or initial construction of real estate.
- No-interest loans by non-profit housing organizations.
- Other transactions identified by rule.

§ 1-201.

Licensure requirements and implications of licensure: To make supervised loans (defined by § 1-301(40) as those at more than 12.25% or that are secured by real estate), or take assignments of them and collect on them, must be supervised financial organization (defined by § 1-301 as banks and other depository institutions, nondepository trust companies, uninsured banks, and merchant banks) or have license. § 2-301. If lender is unlicensed, debtor is not obligated to pay any application fee, prepaid finance charge or closing cost, nor the loan finance charge owed for the first 12 months of the loan, and may recover any part that has been paid. § 5-201.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Definition of "consumer loan" excludes those for more than \$50,000 (adjusted for inflation) unless the loan is secured by manufactured housing or an interest in land. § 1-301(14). Supervised closed-end installment loans of \$1,000 or less must be payable over no more than 25 months. § 2-308.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- 30% per year on first \$2,000;
- 24% on next \$2,000; and
- 18% on remainder.

However, if amount financed exceeds \$8,000, lender may not charge more than 18%. § 2-401(2). Lender may contract for minimum charge of not more than:

- \$5 when the amount financed does not exceed \$75;
- \$15 when the amount financed exceeds \$75, but is less than \$250; or
- \$25 when the amount financed is \$250 or more.

§ 2-401(7).

What loan fees are allowed? For consumer credit transaction or open-end credit plan, lender may charge:

- Official fees and taxes.
- Charges for other benefits authorized by rule, if valuable to consumer and reasonable in relation to benefits or of a type that is not for credit.

§ 2-501.

What types of insurance are allowed, and any limits the lending statute places on charges? Creditor may charge for insurance, including vendor's single interest insurance with respect to which insurer has no right of subrogation against consumer, property insurance on property related to the credit transaction, liability insurance, and consumer credit insurance providing life, accident or health coverage or involuntary unemployment coverage, but not other insurance protecting creditor against consumer's default or other credit loss. §§ 2-501, 4-104. Charging for credit accident and health is prohibited unless there is a minimum payment of \$30 per month or a loan duration of at least 18 months. § 4-104(3). Except pursuant to open-end credit, creditor may not charge for property insurance unless amount financed is \$1,400 or more and the cash price of the item or property is \$1,400 or more. § 4-301.

Does statute prohibit all other fees besides those specifically allowed? Debtor is not required to pay a charge in excess of that allowed by the Code. § 5-201(3).

Does statute restrict balloon payments or irregular payment schedules? Closed-end installment loans must be payable in substantially equal installments except to accommodate debtor's seasonal or irregular income, and with an exception allowing a final balloon payment if term is at least four years and consumer has right to refinance on the terms then generally offered by the creditor. § 3-308. Closed-end supervised installment loan of \$1,000 or less must also be payable at equal periodic intervals. § 2-308.

Any restrictions on refinancing? For most consumer credit transactions, rate upon refinancing is limited to 1% more per year than original rate. § 2-504.

Any rebate requirements or restrictions on prepayment penalties? Unless loan is secured by land, may prepay

in full or in part at any time without penalty, subject to minimum charges permitted by law. Lender must provide actuarial rebate, but, upon prepayment (but not refinancing), lender may retain minimum charge of \$5 if amount financed was \$75 or less, \$15 if amount financed was more than \$75 but less than \$250, and \$25 if amount financed was more than \$250. If rebate is less than \$1, no rebate need be made. §§ 2-509, 2-510.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignment is prohibited and void, but consumer may revocably authorize deductions from earnings. § 3-305. Security interest in land is prohibited and void for a supervised loan that has an APR greater than 18%. Security interest in consumer's principal residence is prohibited for supervised loan in which amount financed is \$2,800 or less, unless lender already holds first mortgage. § 2-307.

Does statute prohibit unconscionable loan charges? Yes. § 5-108.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Administrator may require licensed supervised lender to file annual and quarterly reports, and additional reports if deemed necessary. Information contained in reports may be published only in composite form. § 2-304.

Other significant features: Loan-splitting prohibited. § 3-304.

MARYLAND

Md. Code Ann., Com. Law §§ 12-301 to 12-317 (West) (Consumer Loan Law—Credit Provisions); Md. Code Ann., Fin. Inst. §§ 11-201 to 11-223 (West) (Consumer Loan Law—Licensing Provisions) (These two laws are cited jointly as the Maryland Consumer Loan Law).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to lenders if they make loans under this law, except that the depositories that are not required to be licensed are exempt. Com. Law § 12-302.

Licensure requirements and implications of licensure: May not engage in the business of making loans under this subtitle unless lender is licensed under or exempt from licensing requirements. Com. Law § 12-302. *See also* Fin. Inst. § 11-204(a). Banks, trust companies, savings banks, credit unions, and savings and loan associations are not eligible for licensure, and their powers are unaffected by the licensure law. Fin. Inst. § 11-202.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Applies to loans of \$6,000 or less Com. Law §§ 12-303(a). *See also* Com. Law § 12-314. Maximum term may not exceed: (1) 30 months and 15 days for loan of \$700 or less; (2) 36 months and 15 days for loan of more than \$700 but less than \$2,000; or (3) 72 months and 15 days for loan of \$2,000 or more. Com. Law § 12-306(e).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? First alternative:

- For a loan of \$2,000 and under, 33% on first \$500, 24% on amount over \$500 but not more than \$700, and 15% on remainder.
- For a loan between \$2,000 and \$3,500: 21%.
- For a loan between \$3,500 and \$5,000, 18%.
- For a loan over \$5,000, 16.2%.

Second alternative (for loans that meet certain conditions):

- For loan of \$2,000 or less, 33% on first \$1,000 and 24% on remainder.
- For loan of more than \$2,000, 24%.

Com. Law § 12-306(a)(2)-(6).

What loan fees are allowed? Recording fees, or premiums for non-filing insurance if no more than those fees. Com. Law § 12-307(a).

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance on any real or personal property collateral; credit health insurance covering any one or more borrowers; credit life insurance on one borrower if loan is for less than \$700 and on more than one borrower if loan is for \$700 or more; and credit involuntary unemployment benefit insurance covering one borrower. Com. Law § 12-312.

Does statute prohibit all other fees besides those specifically allowed? Yes. Com. Law § 12-313(a)(1). *See also* Com. Law § 12-314 (loan of \$6,000 or less is unenforceable if lender takes a rate of interest, charge, discount, or other consideration greater than authorized, with exception for clerical errors or mistakes that are corrected before any payment is received).

Does statute restrict balloon payments or irregular payment schedules? A loan may be made at the split rates (36% and 24%) authorized by Com. Law § 12-306(6) provided that the loan does not include a balloon payment, unless payment in full is due on demand or in 1 year or less. Com. Law § 12-307(iv).

Any restrictions on refinancing? Only 60 days of past-due interest can be included in principal of refinanced loan. Com. Law § 12-306(c).

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay in full or in part at any time without penalty. Com. Law § 12-308(c). Statute prohibits lender from entering into precomputed loan, and requires interest to be computed actuarially,

so effectively prohibits Rule of 78s rebates. Com. Law § 12-306(d)(1).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Security interest in real property (other than judgment lien) for any loan under \$2,000, or in personal property for any loan under \$700, is prohibited and void. Com. Law § 12-311(c). Wage assignments prohibited. Com. Law § 12-311(b)(2).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? No, only for mortgage loans (Com. Law §§ 12-311e).

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: The Commissioner shall report to the appropriate state's attorney any alleged criminal violation of Fin. Inst. § 11-220.

Other significant features: Wage assignment is treated as a loan. Com. Law § 12-303(b). Anti-evasion provisions. Com. Law § 12-303(c); Fin. Inst. § 11-204(a)(b)(2)(iii). Loan splitting prohibited. Com. Law § 12-313(a)(2).

Md. Code Ann., Com. Law §§ 12-1001 to 12-1029 (West) (Credit Grantor Closed End Credit Provisions).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to any "credit grantor," defined to include, *inter alia*, any legal or commercial entity making a loan or other extension of credit which is incorporated, chartered, or licensed under state or federal law, and subject to supervision, examination, and regulation, pursuant to state or federal law; any money transmitter licensed in Maryland; or any retailer. Definition includes any bank, trust company,

depository institution, or savings bank having a branch in the state. Com. Law § 12-1001(g).

Licensure requirements and implications of licensure: Credit grantors are subject to the licensing, investigatory, enforcement and penalty provisions of Fin. Inst. §§ 11-301 to 11-304 unless exempt therefrom. Com. Law § 12-1015(a); Fin. Inst. § 11-302(b). This licensing provision does not apply to banks, savings and loan associations, credit unions, licensees under the Consumer Loan Law, sellers of goods or services that do not make loans or act as a credit services business, certain mortgage lenders that are licensed or exempt from licensure requirements, and certain educational loans. Fin. Inst. § 11-301.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Provisions regarding "consumer borrowers" apply to consumer loans (ones for personal, family, or household purposes) regardless of amount. Com. Law § 12-1001(f).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Lender may take any security acceptable to it. Com. Law § 12-1002(b).

What rate of interest is allowed? 24%. Com. Law § 12-1003(a), (b). Note that the general usury statute, Com. Law § 12-103, also allows an interest rate of 24% on unsecured loans and loans secured by personal property, so lenders may prefer to operate under the general usury statute.

What loan fees are allowed? For consumer loans, lender may charge reasonable fees for services rendered or for reimbursement of expenses incurred in good faith for: (1) attorney fees for preparation, closing, or disbursement of the loan; (2) expenses, taxes, or charges paid to governmental agencies; and (3) examination of title, appraisal, or other costs necessary or appropriate to security of the loan. Fee must be an actual and verifiable expense and not retained by the lender. Com. Law § 12-1005(d). Loan fees, points, finder's fees, and other charges are prohibited unless loan is

secured by a lien on residential real property. Com. Law § 12-1005(a)(2).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life insurance, credit health insurance, credit involuntary unemployment benefit insurance, and similar insurance coverages is optional; purchase of property insurance, title insurance, and credit loss insurance may be required if the loan is secured. Com. Law §§ 12-1005(d)(1)(iii) (4), 12-1007. Lender may charge for optional debt cancellation agreement. Com. Law § 12-1005(c).

Does statute prohibit all other fees besides those specifically allowed? Yes. Com. Law § 12-1005(d)(1).

Does statute restrict balloon payments or irregular payment schedules? Installment loan to consumer may not require balloon payment at maturity, with exceptions for loan secured by lien on residential real property, loan of \$30,000 or more secured by passenger car, or loan of \$10,000 or more secured by a motorcycle. Com. Law § 12-1003(c).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Consumer borrower may prepay in full at any time without charge. Lender must give actuarial rebate of precomputed interest charge, but need not make rebate of less than \$5. Com. Law § 12-1009(a), (b).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignments prohibited and unenforceable, Com. Law § 12-1023(b)(2)(1), but otherwise credit grantor may take any security as collateral as may be acceptable to it. Com. Law § 12-1002(b).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? For mortgages only. Com. Law § 12-1029.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

MASSACHUSETTS

Mass. Gen. Laws ch. 140, § 90.

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies generally to all loans.

Licensure requirements and implications of licensure: Statute is silent.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Less than \$1,000.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Statute has effect of capping interest at 18%: it provides that a loan of less than \$1,000 made at a rate of more than 6% is discharged by payment of the principal plus interest at the agreed rate or 18%, whichever is less. Ch. 140, § 90.

What loan fees are allowed? Not exceeding \$5.00 "for the actual expenses of making and securing the loan." Ch. 140, § 90.

What types of insurance are allowed, and any limits the lending statute places on charges? Statute is silent.

Does statute prohibit all other fees besides those specifically allowed? Effect of statute is to nullify any other fees.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Actuarial method for calculating rebates: Loan may be discharged by paying sum actually

borrowed plus interest at the agreed rate (or at 18% if agreed rate exceeds 18%) for the time the loan is actually outstanding, plus \$5; but no rebate if loan is repaid within first 6 months. Ch. 140, § 90.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute is silent.

Does statute prohibit unconscionable loan charges? No, but Mass. Code Regs. tit. 940, § 3.16(1) provides that an act or practice is violation of the state deceptive practices statute, Mass. Gen. Laws Ch. 93A (which applies to lending) if it is oppressive or unconscionable in any respect.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury state provides: "The provisions of this section shall not apply to any loan the rate of interest for which is regulated under any other provision of general or special law or regulations promulgated thereunder or to any lender subject to control, regulation or examination by any state or federal regulatory agency." Ch. 271, § 49(e).

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

Mass. Gen. Laws ch. 140, § 96 (Small Loan Business); Mass. Gen. Laws ch. 140, §§ 98, 100, 103, 106–108, 110, 114, 114A; 209 Mass. Code Regs. § 26.01.

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies generally to all lenders in business of making loans of \$6,000 or less at more than 12%. Ch. 140, § 96.

Licensure requirements and implications of licensure: Must have license to engage in business of making, purchasing, or arranging loans of \$6,000 or less, where interest exceeds 12%. Ch. 140, § 96. Loan made

by unlicensed lender is void. Ch. 140, § 110. Loan companies and loan associations established by special charter, and fraternal mutual benefit societies the membership of which is limited to the employees of any one person and which make loans to its members only, shall be subject to the supervision of the commissioner, but need not procure a license. Ch. 140, § 114. Trust companies, savings banks, co-operative banks, savings and loan associations, credit unions, national banking associations, federal savings banks, federal savings and loan associations, or any subsidiary of the foregoing shall not be subject to licensing and other small loan provisions, but must abide by statute's limits on interest, expenses and other consideration. Ch. 140, § 114A.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: \$6,000 or less. Ch. 140, § 96.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute applies only to loans made primarily for personal, family, or household purposes. Statute, except for interest rate limit, does not apply to certain loans by secondary educational institutions. Statute does not apply to home mortgage loans and open-end mortgage loans. Ch. 140, § 96.

What rate of interest is allowed? 23%. Ch. 140, § 100; 209 Mass. Code Regs. § 26.01(1)(a). All sums charged against or paid by the borrower for making or securing the loan, including, *inter alia*, interest, brokerage, recording fees, and commissions, must fall within this cap. Ch. 140, § 96.

What loan fees are allowed? An administrative fee of \$20 upon the granting of a loan. This fee may not be assessed more than once during any 12 month period. 209 Mass. Code Regs. § 26.01(1)(a). Recording fees. Ch. 140, § 100.

What types of insurance are allowed, and any limits the lending statute places on charges? Statute is silent.

Does statute prohibit all other fees besides those specifically allowed? Yes. Ch. 140, §§ 100, 106.

Does statute restrict balloon payments or irregular payment schedules? Statute and but regulations provide that interest may be precomputed only when contract requires repayment in substantially equal and consecutive monthly installments of principal and interest charges. Ch. 140, § 100; 209 Mass. Code Regs. § 26.01(4).

Any restrictions on refinancing? Lender can charge \$20 administrative fee only once in any 12-month period, and must notify borrower of option to take out a new loan rather than refinancing an existing loan at a higher rate. 209 Mass. Code Regs. § 26.01(1).

Any rebate requirements or restrictions on prepayment penalties? Authorities are contradictory. Statute requires actuarial method, Ch. 140, § 100, yet 209 Mass. Code Regs. § 26.01(4)(b) authorizes Rule of 78s (sum of payments):

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Personal property and assignment of wages specifically allowed. Ch. 140, § 107.

Does statute prohibit unconscionable loan charges? No, but Mass. Code Regs. tit. 940, § 3.16(1) provides that an act or practice is violation of the state deceptive practices statute, Mass. Gen. Laws Ch. 93A (which applies to lending) if it is oppressive or unconscionable in any respect.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury statute provides: "The provisions of this section shall not apply to any loan the rate of interest for which is regulated under any other provision of general or special law or regulations promulgated thereunder or to any lender subject to control, regulation or examination by any state or federal regulatory agency." Ch. 271, § 49(e).

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the

reports: Annual report containing information as commissioner may require. Ch. 140, § 98.

Other significant features: Loan splitting prohibited. Ch. 140, § 100.

MICHIGAN

Mich. Comp. Laws §§ 493.1 to 493.24 (Regulatory Loan Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies generally to lenders, but exempts banks, savings banks, industrial banks, trust companies, building and loan associations, credit unions, and licensed pawnbroking. §§ 493.2, 493.20.

Licensure requirements and implications of licensure: Must have license to make loans at rate higher than non-licensee can charge. § 493.2(1).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 25%. §§ 493.13, 445.1854.

What loan fees are allowed?

- Loan processing fee not to exceed 5% of the principal, up to \$250 (adjusted for inflation), which may be added to principal. The current maximum fee is \$300. See www.michigan.gov/documents/difs/Bulletin_2014-01-CF_445955_7.pdf?20150318124433.
- Recording fees.

§ 493.13(4).

What types of insurance are allowed, and any limits the lending statute places on charges? Licensee may provide credit insurance, and any other insurance under the insurance code. § 493.13a.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 493.13(4).

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay in any amount at any time. § 493.14(c). Prepayment penalties are prohibited because not authorized by § 493.13(4). Loan contract cannot have precomputed interest, so there will be no need for a rebate. § 493.13(3).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Forbids liens on real estate other than judgment liens. § 493.12(2). Wage assignments are invalid. § 493.17.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Statute is silent, but criminal usury law, § 438.41, criminalizes charging more than 25% only when lender is not authorized by law to do so.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual financial statement, including information on earnings, and annual report on volume and type of business activities. Commissioner shall publish an annual analysis and recapitulation. § 493.11.

Other significant features: Loan-splitting prohibited. § 493.13(4). Anti-evasion provision. § 493.18(1), (2).

Mich. Comp. Laws §§ 445.1851 to 445.1864 (Credit Reform Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Act applies to extensions of credit made by regulated lenders. "Regulated lender" means a

depository institution, a licensee under the consumer financial services act, the secondary mortgage loan act, the motor vehicle sales finance act, or the regulatory loan act (summarized above), or a seller under the home improvement finance act. § 445.1852(i). (Any entity, whether licensed or not, may loan money at the legal interest rate set by § 438.31.)

Licensure requirements and implications of licensure: "Regulated lenders" other than depository institutions and sellers under home improvement finance act must be licensed under the consumer financial services act, the secondary mortgage loan act, the motor vehicle sales finance act, or the regulatory loan act (summarized above), or a seller under the home improvement finance act. § 445.1852(i).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 25%. § 445.1854.

What loan fees are allowed? Except for depository institutions and as otherwise provided by law, a regulated lender may require the borrower to pay a processing fee of 2% of amount of credit extended. § 445.1856(1) (a). A depository institution may charge all fees and charges that are agreed to or accepted by the borrower. § 445.1857. (A licensee under the Regulatory Loan Act may charge a processing fee of 5%, up to the maximum amount of \$300, but cannot charge an additional 2% processing fee over and above the 5% processing fee.)

What types of insurance are allowed, and any limits the lending statute places on charges? Statute is silent.

Does statute prohibit all other fees besides those specifically allowed? Yes. §§ 445.1852(f), 445.1856(4), 445.1857(3).

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? An agreement by a borrower or buyer to pay a penalty is void and unenforceable, but prepayment charges are not penalties. § 445.1858(c). Actuarial rebate of precomputed interest is required. § 445.1855.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute is silent.

Does statute prohibit unconscionable loan charges? No.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Statute is silent, but criminal usury law, § 438.41, criminalizes charging more than 25% only when lender is not authorized by law to do so.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

MINNESOTA

Minn. Stat. § 47.59 (Financial institution credit extension maximum rates).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Law applies to any “financial institution,” defined as a bank, a bank and trust, a trust company with banking powers, a saving bank, a savings association, an industrial loan and thrift company organized under chapter 53, a regulated lender organized under chapter 56 (see next summary), or an operating subsidiary of any such institution. § 47.59 subdiv. 1(k).

Licensure requirements and implications of licensure: Statute is silent, but the lenders to which it applies are required by other law to be licensed or chartered or the equivalent.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent. Size of loans is determined by law under which the lender is licensed or chartered.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- 21.75% on unpaid balance; or
- 33% on first \$1,125 (adjusted for inflation) and 19% on remainder.

§ 47.59 subdiv. 3(a).

What loan fees are allowed?

- Official fees and taxes.
- Charges for other benefits conferred on the borrower that are of a type that is not for credit. § 47.59 subdiv. 6(a)(6).
- Onetime \$25 loan administrative fee if principal is \$6,480 or less (adjusted for inflation). § 47.59 subdiv. 6(d).

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance; liability insurance; credit insurance providing life, accident, health, or unemployment coverage; and vendor's single interest insurance. § 47.59 subdiv. 6(b).

Does statute prohibit all other fees besides those specifically allowed? Borrower is not required to pay any charge in excess of those allowed by the statute. § 47.59 subdiv. 14.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? No.

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay in full at any time without penalty. § 47.59 subdiv. 9. Actuarial rebate required, but no refund required if less than \$7.50. § 47.59 subdiv. 3(f), (h).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignment is unenforceable unless it is a revocable payroll deduction or preauthorized payment plan or applies only to wages already earned at the time of the assignment. § 47.59 subdiv. 12(c). Other than this, statute is silent about what security interests are authorized or prohibited, but it refers to charges for perfecting security interests.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent, but an annual report is required by chapters 53 and 56 and § 47.60.

Other significant features: Not applicable.

Minn. Stat. § 47.601 (Consumer Short-Term Loans)

What types of lenders does it apply to (e.g., banks vs. non-banks)? "Consumer short-term lender" means an individual or entity, other than a state or federally chartered bank, savings bank, or credit union, engaged in the business of making or arranging consumer short-term loans. § 47.601 subdivs. 1(d), 1(e).

Licensure requirements and implications of licensure: A loan is void, and the borrower is not obligated to pay any amounts owing if the loan is made by a consumer short-term lender who has not obtained an applicable license from the commissioner. § 47.601 subdiv. 6(b).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Applies to "consumer short-term loan," defined as a loan which has a principal amount, or an advance on a credit limit, of \$1,000 or less and requires a minimum

payment within 60 days of loan origination of more than 25% of the principal balance. Excludes pawn transactions and other transactions where lender's sole recourse for recovery after default, other than a lawsuit for damages for the debt, is to proceed against physical goods pledged as collateral. § 47.601 subdiv. 1(d).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): § 47.601 operates as a reporting statute for loans of \$1,000 or less; lenders operate under other statutes when making these loans.

What rate of interest is allowed? No contract or agreement between a consumer short-term loan lender and a borrower residing in Minnesota may contain a provision "in which interest rates, fees, charges, or loan amounts exceed those allowable under § 47.59, subdiv. 6, or § 47.60, subdiv. 2, other than by de minimis amounts if no pattern or practice exists." § 47.59 subdiv. 6 allows:

- Official fees and taxes.
- Charges for other benefits conferred on the borrower that are of a type that is not for credit. § 47.59 subdiv. 6(a).
- Onetime \$25 loan administrative fee if principal is \$6,480 or less (adjusted for inflation). § 47.59 subdiv. 6(d).
- "[T]he finance charges permitted by this section," which would include those set forth in subdiv. 3: either 21.75% on unpaid balance or 33% on first \$1,125 (adjusted for inflation) and 19% on remainder.

§ 47.60, subdiv. 2 allows:

- 7% of loan amount, with a minimum of \$10, plus a \$5 administrative fee, if loan is greater than \$100 but no more than \$250.
- 6% of loan amount, with a minimum of \$17.50, plus a \$5.00 administrative fee, if loan is more than \$200.
- Lesser amounts for loans of \$100 or less.

What loan fees are allowed? See preceding entry.

What types of insurance are allowed, and any limits the lending statute places on charges: Statute is silent.

Does statute prohibit all other fees besides those specifically allowed? Fees allowed by § 47.60, subdiv. 2, are “in lieu of the interest, finance charges, or fees in any other law.” § 47.60, subdiv. 2(a). Loan is void, and statute gives borrower the right to sue if lender charges more than the rates, fees, or charges allowed. § 47.601, subdivs. 2(a)(3)(ii), 6(b)(3).

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Statute is silent.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute refers to holding of a check evidencing the borrower’s obligation on a short-term loan, § 47.601 subdiv. 2(a), but otherwise is silent.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report containing total dollar amount, over and above principal, collected on consumer short-term loans; the average APR and range of APRs; the number of individual borrowers, broken down by the number who obtained: (i) 5 or more loans; (ii) 10 or more loans; (iii) 15 or more loans; and (iv) 20 or more loans; and the total number and dollar amount of loans charged off or written off. § 47.601 subdiv. 4.

Other significant features: No forum or choice of law other than Minn. No class action ban for certain violations. § 47.601 subdiv. 2.

Minn. Stat. §§ 56.0001 to 56.26 (Regulated Loan Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Lenders making loans under this statute are referred to as “regulated lenders.” The statute excludes banks, savings associations, trust companies, licensed pawnbrokers, and credit unions. § 56.002.

Licensure requirements and implications of licensure: Must have license in order to make loans with the charges allowed by this statute, but industrial loan and thrift companies need not be licensed, and certain federally-related entities may purchase mortgage loans from licensees without being licensed. §§ 56.01, 56.002. Loan made without required license is unenforceable. § 56.18.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Not exceeding \$100,000 or 15% of a Minnesota corporate licensee’s stock and surplus. § 56.131, subdiv. 1(a).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? On loan up to \$100,000, lender may charge either: (1) 21.75% or (2) 33% on first \$1,125 (adjusted for inflation) and 19% on the remainder. § 56.131, subdiv. 1(a) (incorporating § 47.59).

What loan fees are allowed?

- Recording fees and taxes, or the cost of non-filing insurance if no greater than this amount.
- Onetime \$25 loan administrative fee if principal is \$6,480 or less (adjusted for inflation).

§ 56.131 subdiv. 2(e).

What types of insurance are allowed, and any limits the lending statute places on charges? Life, accident, health, and involuntary unemployment insurance; property insurance on collateral. § 56.155.

Does statute prohibit all other fees besides those specifically allowed? Yes. §§ 56.131 subdiv. 2, 56.15.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent except for loans secured by real estate. § 56.131 subdiv. 2.

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay in any amount at any time. § 56.14(3). Actuarial rebate required. § 56.131 subdiv. 6 (incorporating § 47.59, subdiv. 3(f), (h)). Special rules for rebates involving discount points on real-estate-secured loans of \$18,000 or more. §§ 56.131, subdiv. 6, 47.59, subdiv. 3(e).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Limits wage assignments to 10% of wages but does not prohibit them. § 56.17. Prohibits lien on real estate for loan of \$6,840 or less. § 56.12.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report containing the information required by the commissioner, who shall publish an annual analysis and recapitulation. § 56.11.

Other significant features: Loan-splitting prohibited. § 56.131 subdiv. 3. Anti-subterfuge (anti-deception) provision. § 56.18. If lender takes a wage assignment, the transaction is governed by this chapter. §§ 56.16, 56.17.

MISSISSIPPI

Miss. Code Ann. §§ 75-17-21 and 75-67-101 to 75-67-139 (Small Loan Regulatory Law).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Everyone except:

- Banks, savings banks, trust companies, building and loan associations, insurance companies, pawnbrokers, and credit unions.
- Loans made to the lender's employees or farm tenants.
- Lenders making loans secured only by real estate.
- Loans for farming or agricultural operations.
- Loans insured or guaranteed by the U.S.
- Dealers and sellers or purchasers of conditional sales or retained title contracts on real or personal property.
- Occasional lenders not regularly engaged in the business of lending money.

§§ 75-67-135, 75-67-241.

Licensure requirements and implications of licensure: No person shall engage in the business of lending money except as authorized by this article (§§ 75-67-101 to 75-67-139), and without being the holder of a valid and subsisting license to engage in such business as provided by the Small Loan Privilege Tax Law (§§ 75-67-201 to 75-67-247). § 75-67-105(1).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- 36% on first \$1,000.
- 33% on amount over \$1,000 but not exceeding \$2,500.

- 24% on amount over \$2,500 but not exceeding \$5,000.
- 14% on remainder.

The 36% rate is to be increased by the number of percentage points by which the discount rate exceeds 8%, and the other rates by the number of percentage points by which the discount rate exceeds 10%. § 75-17-21(1), (4). In the alternative, on loans of \$25,000 or more: 18%. § 75-17-21(2).

Origination and other fees are allowed: Closing fee of \$25 or 4% of total payments due on loan, whichever is greater, if loan is for \$10,000 or less; otherwise, \$500. § 75-17-21(3). If loan is for \$100 or more, recording fees and a reasonable fee paid to an attorney for investigating title to property given as security. § 75-67-121.

What types of insurance are allowed, and any limits the lending statute places on charges? On loan of \$100 or more, lender may charge for property insurance on collateral and life, health and/or accident insurance on any borrower. May sell auto club membership after loan has been approved. § 75-67-121.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 75-17-119 (all finance charges are forfeited if lender charges any charge in excess of that expressly permitted).

Does statute restrict balloon payments or irregular payment schedules? “Licensee” is defined as an entity that holds a license and that engages in the business of lending money to be paid back in monthly installments or other regular installments for periods of more or less than 1 month. § 75-67-103(b).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? When loan is prepaid in full, lender must make Rule of 78s rebate, but need not make refund of less than \$1. Calculation is to be based on the number of days by which the loan is paid in advance, less 20 days. § 75-67-127(1)(c).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Allows security interests in real or personal property. § 75-67-127(1)(a). *See also* § 75-67-103(b) (definition of “licensee” applies whether or not the lender requires security from the borrower as indemnity for the repayment of the loan).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

[Miss. Code Ann. §§ 75-67-39, 75-67-41 \(Installment Loans\).](#)

What types of lenders does it apply to (e.g., banks vs. non-banks)? “Any persons, natural or artificial, including domestic and foreign corporations, lending money in this state.” § 75-67-39.

Licensure requirements and implications of licensure: Statute is silent.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 7%. § 75-67-39. But 10% if the borrower prepays, defaults, or breaches any covenant entitling the lender to declare the whole indebtedness due and payable and to a foreclosure of the security. § 75-67-41

What loan fees are allowed? Statute is silent.

What types of insurance are allowed, and any limits the lending statute places on charges? Statute is silent.

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? Statute requires monthly or weekly installments, § 75-67-39, but otherwise is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? If consumer prepays, can be required to pay interest at 10% for period that loan was actually outstanding. § 75-67-41.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Lender may take security interest in real or personal property. § 75-67-39.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Statute is silent.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: These two statutory provisions remain on the books but are rarely or never used in Mississippi. They are the remaining vestiges of previous loan statutes that were superseded in the 1950s by the adoption of the Small Loan Regulatory Law.

MISSOURI

Mo. Rev. Stat. §§ 408.100 to 408.213 (Interest on Small Loans).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applicable broadly to loans made by any person, firm, or corporation that are not made under other Missouri laws. §§ 408.100, 408.190.

Licensure requirements and implications of licensure: Statute is silent. This is not a licensing statute.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute excludes loans which are secured by a lien on real estate, nonprocessed farm products, livestock, farm machinery or crops, and loans to corporations. § 408.100.

What rate of interest is allowed? Any rate agreed to by parties. § 408.100.

What loan fees are allowed?

- On closed-end loans for 30 days or longer, fee of 10% of principal, not to exceed \$75.00. § 408.140(1)(1).
- Recording fees, or premium for non-filing insurance if no more than this amount. § 408.140(1)(2).

What types of insurance are allowed, and any limits the lending statute places on charges? Non-filing insurance, property and liability insurance, life, health, accident, and involuntary unemployment insurance; GAP insurance if loan has collateral. § 408.140(1).

Does statute prohibit all other fees besides those specifically allowed? Yes. §§ 408.140(1), 408.150.

Does statute restrict balloon payments or irregular payment schedules? If loan contract provides for payment in consecutive monthly installments, no installment shall be substantially greater than any other installment. § 408.120.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Prepayment penalties likely not allowed because not listed in §§ 367.100 to 367.200 or § 408.140(1). For precomputed note, Rule of 78s rebate (sum of the balances method) is allowed if initial loan term is 61 months or less and loan is for \$5,000 or less; actuarial rebate required for loan of more than \$5,000. § 408.170.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Prohibits non-purchase-money security interests in household furnishings, appliances, or clothing of the borrower or dependents for consumer loan of less than \$500, or in any goods if loan is less than \$150. § 408.551 (providing that loans made under § 408.100 are subject to § 408.558). Wage assignment is void. § 408.551 (providing that loans made under § 408.100 are subject to § 408.560). Law inapplicable to loans secured by real estate or certain farm assets. § 408.100.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Statute is silent, but criminal usury statute, § 408.095, criminalizes charging interest greater than 24% only when not permitted by other Missouri laws.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Prohibition against loan-splitting. § 408.200. Wage assignment is treated as loan. § 408.210.

Mo. Rev. Stat. § 408.510 (Consumer Installment Loans).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to all persons licensed to make consumer installment loans. § 408.510.

Licensure requirements and implications of licensure: Consumer installment lenders must register under § 367.110. § 408.510.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: "Consumer installment loans" means secured or unsecured loans of any amount and payable in at least four substantially equal installments over a period of at least 120 days. § 408.510.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Any rate agreed to by parties. § 408.510 (incorporating § 408.100).

What loan fees are allowed?

- A fee of 10% of principal, not to exceed \$75.00.
- Recording fees, or premium for non-filing insurance if no more than this amount.

§ 408.510 (incorporating § 408.140(1)).

What types of insurance are allowed, and any limits the lending statute places on charges? Property and liability insurance, life, health, accident, and involuntary unemployment insurance; GAP insurance if loan has collateral. § 408.510 (incorporating § 408.140(1)).

Does statute prohibit all other fees besides those specifically allowed? Yes, § 408.510 by reference to § 408.140.

Does statute restrict balloon payments or require substantially equal installments? Loan must be payable in at least four substantially equal installments. § 408.510.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Prepayment penalty is likely prohibited

because not listed in § 408.140. For precomputed note, Rule of 78s rebate (sum of the balances method) is allowed if initial loan term is 61 months or less and loan is for \$5,000 or less; actuarial rebate required for loan of more than \$5,000. § 408.510 (incorporating § 408.170).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Prohibits non-purchase-money security interests in household furnishings, appliances, or clothing of the borrower or dependents for consumer loan of less than \$500, or in any goods if loan is less than \$150. § 408.510 (incorporating § 408.558). Wage assignment is void. § 408.510 (incorporating § 408.560).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? When making or negotiating loans, lender must take into consideration in determining the size and duration of a loan contract the financial ability of borrowers to reasonably repay the loan in the time and manner as specified in the loan contract. § 367.185(4), made applicable to installment lenders by §§ 408.510, 408.512.

Is lending under this statute exempt from state criminal usury law? Statute is silent, but criminal usury statute, § 408.095, criminalizes charging interest greater than 24% only when not permitted by other Missouri laws.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

MONTANA

Mont. Code Ann. §§ 32-5-101 to 32-5-409 (Consumer Loan Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Does not apply to regulated lender (as defined in § 31-1-111) to which the exemption from interest rate limits in § 31-1-112 applies [namely, the following are not covered by Consumer Loan Act: a bank, building and loan association, savings and loan association, trust company, credit union, credit association, residential mortgage lender licensee, development corporation, bank holding company, or mutual or stock insurance company; a subsidiary of an entity already described; a state or federal agency authorized to lend money; a corporation or other entity established by Congress or the state that is owned, in whole or in part, by the U.S. or the state that is authorized to lend money. Does not apply to a person who makes fewer than 4 consumer loans a year with the person's own funds, does not represent that the person is a licensee, and complies with the provisions of § 31-1-1. § 32-5-103(5).

Licensure requirements and implications of licensure: Unless lender is exempt, license is required to engage in business of making consumer loans in any amount for compensation. § 32-5-103(1).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): "Consumer loan" must be for personal, family, or household use, and is defined to exclude residential mortgage loans and payday loans. § 32-5-102(2)(b).

What rate of interest is allowed? 36%. § 32-5-301(1).

What loan fees are allowed?

- Recording fees, or premium for non-filing insurance if no greater than those fees.
- Fees for title examination, title insurance, or similar purposes, including survey.

- Fees for preparation of documents.
- Notary fees.
- Appraisal fees.
- Credit report fees.

§ 32-5-301(2).

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance on collateral, credit life insurance, credit disability insurance, and loss of income insurance, but only if loan principal exceeds \$300. § 32-5-306.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 32-5-301(5)(a).

Does statute restrict balloon payments or irregular payment schedules? Single-payment loans are permissible as long as the payment is due at least 45 days but no more than one year from date loan is made. If loan contract provides for installment payments, then: (1) the payments must be due at approximately equal periodic intervals, except to accommodate borrowers with seasonal incomes; and (2) no payment can be substantially larger than any previous payment except that balloon payment loans are permissible as long as they do not negatively amortize. If loan contract provides for monthly installment payments, first installment must be due no more than 45 days after loan was made. § 32-5-302.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? May prepay in whole or in part without penalty at any time. § 32-5-303(1)(i). Section 32-5-311 prohibits precomputed interest, so implicitly forbids use of Rule of 78s.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Regulates but does not prohibit wage assignments. § 32-5-310.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report containing information prescribed by department. § 32-5-308.

Other significant features: Anti-evasion provision. § 32-5-103(3). Loan splitting prohibited. § 32-5-301(5)(a). Limits any wage assignment to 10% of wages. § 32-5-310.

NEBRASKA

Neb. Rev. Stat. §§ 45-1001 to 45-1069 (Installment Loan Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Any person, other than a financial institution (defined by §§ 8-101 and 45-1002(g) as a bank, savings bank, building and loan association, savings and loan association, credit union, or similar organization covered by federal deposit insurance, or a trust company) is eligible for a license and to be allowed to make loans under the Installment Loan Act. § 45-1003.

Licensure requirements and implications of licensure: Act does not apply to loans made by nonlicensees if the interest rate does not exceed 16%. §§ 45-1002(3), (4), 45-101.03. License required to charge the interest rates and other charges allowed by the Installment Loan Act. 45-1004(1).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features:

- Statute is inapplicable to loans for more than \$25,000 that are not secured by real property. § 45-1025(2).
- Except for loans secured by manufactured homes, the maximum loan term for loans greater than \$3,000 and less than \$25,000 is 145 months. § 45-1024(1).

- If principal is no more than \$3,000, term must not exceed 36 months. § 45-1025(3).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 24% on first \$1,000, and 21% on remainder § 45-1024(1). In the alternative, licensee may charge general usury rate (16%). § 45-1025(1) (incorporating §§ 45-101.03 and 45-101.04).

What loan fees are allowed? Nonrefundable loan origination fee, including reasonable expenses for making, closing, disbursing, extending, readjusting, or renewing of loans, including abstracting, recording, releasing, and registration fees; title examinations; credit reports; survey; and fees and expenses charged for electronic title and lien services, but not to exceed the lesser of \$500 or 7% of first \$2,000 and 5% of remainder, but must fall within 24% interest cap. § 45-1024(5).

What types of insurance are allowed, and any limits the lending statute places on charges? Property and liability insurance on motor vehicle; fire and extended-coverage insurance on real property or tangible personal property; involuntary unemployment or job protection insurance; life, health, and accident insurance; any other type of insurance or motor club service; nonfiling insurance; charges for debt cancellation contracts or debt suspension contracts; amounts charged for a guaranteed asset protection waiver. §§ 45-1024(5), 45-1026.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 45-1024(4).

Does statute restrict balloon payments or irregular payment schedules? Precomputed loan contracts must provide for substantially equal installments payable at approximately equal periodic intervals, with minor variation allowed for first payment period. § 45-1025(3).

Any restrictions on refinancing? If licensee has made another loan to borrower within the previous 12

months, the nonrefundable loan origination fee may be charged only on new funds advanced on each successive loan. § 45-1024(5).

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay one or more full installments at any time. § 45-1022. For prepayment in full, borrower is entitled to actuarial rebate, but no rebate of less than \$1 need be made. § 45-1024(2)(c).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Statute imposes requirements on wage assignments but does not prohibit them. §§ 45-1028, 45-1030.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report of the licensee's earnings, operations, assets, and other relevant information as the department may reasonably require. § 45-1018.

Other significant features: Anti-evasion provisions. §§ 45-1015, 45-1021.

NEVADA

Nev. Rev. Stat. §§ 675.010 to 675.490 (Installment Loan and Finance Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to any person who makes installment loans that are not governed by state payday loan law. Does not apply to:

- Banks, national banking associations, savings banks, trust companies, savings and loan associations, credit unions, mortgage brokers, mortgage

bankers, thrift companies, pawnbrokers, insurance companies, or real estate investment trusts.

- Loans from employee benefit plans.
- Firms or corporations principally engaged in mortgage lending with approval by Fannie Mae, HUD and the Department of Veterans Affairs.
- Person holding a nonrestricted state gaming license.
- Licensed payday lenders.

§ 675.040. Commissioner may grant additional exemptions. § 675.055.

Licensure requirements and implications of licensure: Must have license to engage in business of lending, except for deferred deposit loan services, high-interest loan services (those charging APR of more than 40%), or title loan services, which must obtain appropriate license under §§ 604A.010–604A.150). § 675.060.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Statute does not specify an interest rate, but § 604A.400 prohibits any lender, including one licensed under this Act, from operating a “high-interest loan service” without obtaining a license under chapter 604A. § 604A.0703 defines a “high-interest loan” as one, other than a payday loan, a vehicle title loan, or a refund anticipation loan, that charges interest at more than 40%. Reading these statutes together with this Act, a licensee under this Act cannot charge more than 40% interest without obtaining a license under chapter 604A. Since chapter 604A allows licensees to make high-interest loans only if the term is limited to 150 days, § 604A.408(2), longer-term installment loans at rates exceeding 40% cannot be made regardless of licensure.

What loan fees are allowed? Any fees imposed on the licensee pursuant to this Act. 675.300.

What types of insurance are allowed, and any limits the lending statute places on charges? Life, health or disability, and involuntary unemployment insurance; property insurance on collateral; insurance protecting lender’s interest in the collateral; single interest non-filing insurance; and any other credit-related insurance approved by the commissioner. § 675.300.

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? The high-interest loan statute, §§ 604A.408(2)(a) and 604A.480(2)(a)(3) requires certain high-cost loans with terms of up to 150 days to be payable in installments, but there is no similar requirement for the longer-term loans governed by chapter 675.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Lender must allow prepayment. § 675.360. Statute is silent about rebates.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignments are invalid. § 675.340. Prohibits security interest on real property, other than judgment lien, except real property upon which is situated a manufactured home or factory-built housing that also secures the loan. § 675.350.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent. *But cf.* § 604A.450 (requiring borrower to sign affidavit that vehicle title loan is affordable).

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report containing information prescribed by commissioner. § 675.260.

Other significant features: Anti-evasion provisions. §§ 675.035, 675.070 675.300.

NEW HAMPSHIRE

N.H. Rev. Stat. Ann. §§ 399-A:1 to 399-A:19 (Small Loans).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Any person engaged in the business of making small loans, including closed-end loans, open-end loans, title loans, and payday loans. § 399-A:1(XV) (moved to §§ 399-A:1(XX) and 399-A:2 as of Jan. 1, 2016).. Chapter does not apply to banks, trust companies, insurance companies, savings or building and loan associations, credit unions, or lenders that exclusively make educational loans. § 399-A:2(III).

Licensure requirements and implications of licensure: License required to engage in business of making small loans, i.e., those with finance charges greater than 10% (other than recording fees and costs of repossession or sale of collateral). §§ 399-A:1(XIV) (moved to § 399-A:1(XX) as of Jan. 1, 2016), 399-A:2(I). Unlicensed lender is barred from recovering any finance charge, delinquency charge, or collection charge. § 399-A:18(II).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute applies to loan of \$10,000 or less. § 399-A:1(XIV) (moved to § 399-A:1(XX) as of Jan. 1, 2016).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 36% APR, calculated under federal Truth in Lending Act rules, but excluding one application fee per borrower per year and one participation or membership fee per borrower per year. § 399-A:12(I), (II) (moved to § 399-A:16(I) as of Jan. 1, 2016).

What loan fees are allowed? Statute allows recording fees, but prohibits any other charges for examination, service, brokerage, commission, or other fee,

except repossession costs. § 399-A:11(XI) (moved to § 399-A:15(XI) as of Jan. 1, 2016).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life, accident and health, and involuntary unemployment insurance, and property insurance on collateral. § 399-A:11(XII), (XIII) (moved to § 399-A:15(XII), (XIII) as of Jan. 1, 2016).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 399-A:11(XI) (moved to § 399-A:15(XI) as of Jan. 1, 2016).

Does statute restrict balloon payments or require substantially equal installments? Statute is silent.

Any restrictions on refinancing? Only restriction (other than § 399-A:13(VII) (moved to § 399-A:17(VII) as of Jan. 1, 2016), which applies only to payday loans), is that refinanced loan can include only 60 days of unpaid interest from prior loan. § 399-A:11(IV) (moved to § 399-A:15(IV) as of Jan. 1, 2016).

Any rebate requirements or restrictions on prepayment penalties? Lender must permit prepayment. § 399-A:12(VI)(d) (moved to § 399-A:15(XVI)(d) as of Jan. 1, 2016). Prepayment penalties are likely prohibited because not listed in § 399-A:11(XI) (moved to § 399-A:15(XI) as of Jan. 1, 2016). Statute is silent about rebates, but **§ 399-A:11(IV)** (moved to § 399-A:15(IV) as of Jan. 1, 2016) requires interest to be computed only on unpaid principal balances, which implies that any rebate must be actuarial.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Any security agreed upon, § 399-A:12(II) (moved to § 399-A:16(II) as of Jan. 1, 2016), except that security interest on real estate, or on household furniture presently in use if loan is for \$2,000 or less, is prohibited and void. § 399-A:11(VIII), (IX) (moved to § 399-A:15 (IX), (X)) as of Jan. 1, 2016).

Does statute prohibit unconscionable loan charges? No, but statute gives the commissioner exclusive authority and jurisdiction to investigate charges, including interest and fees, that are or may be unreasonable or

an unfair or deceptive act or practice under the state deceptive practices statute. § 399-A:12(VII) (repealed as of Jan. 1, 2016).

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report; financial statement including balance sheet, income statement, statement of changes in owners' equity, cash flow statement, and note disclosures. Commissioner shall publish annual analysis of this information. § 399-A:(6)(I), (II) (moved to § 399-A:10(I), (II) as of Jan. 1, 2016).

Other significant features: Prohibits lender from allowing any borrower to be obligated to it on one or more contracts if combined principal balance exceeds \$10,000. § 399-A:12(III). Requires lender to allow borrower to cancel up to close of next business day. § 399-A:12(XVIII) (moved to § 399-A:15(XVIII) as of Jan. 1, 2016).

NEW JERSEY

N.J. Stat. Ann. §§ 17:11C-1 to 17:11C-49 (West) (New Jersey Consumer Finance Licensing Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to anyone making covered loans, but depository institutions, trust companies, insurance companies, and pawnbrokers are exempt. § 17:11C-6.

Licensure requirements and implications of licensure: License required to engage in consumer loan business, i.e., make consumer loans of \$50,000 or less at rates greater than a non-licensee may charge. § 17:11C-3. Loan made without a required license is void unless lender meets statutory good faith error requirements. § 17:11C-33(b).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute applies to loans of \$50,000 or less, payable in one or more installments. § 17:11C-2 (definition of "consumer loan"). Term of closed-end installment loan in an amount of:

- \$1,000 or less shall not exceed 36 months and 15 days.
- More than \$1,000 but no more than \$2,500 shall not exceed 48 months and 15 days.
- More than \$2,500 but no more than \$5,000 shall not exceed 60 months and 15 days.
- More than \$5,000 but no more than \$10,000 shall not exceed 84 months and 15 days.
- Over \$10,000 shall not exceed 120 months and 15 days.

§ 17:11C-35.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Statute allows any rate set by contract. §§ 17:11C-32(a), 17:11C-36(a). However, criminal usury statute caps interest at 30%. §§ 2C:21-19, 17:11C-37.

What loan fees are allowed? Recording fees. § 17:11C-33.

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life insurance, credit health or disability insurance, credit involuntary unemployment insurance, property insurance on collateral. § 17:11C-21(a).

Does statute prohibit all other fees besides those specifically allowed? Yes. §§ 17:11C-33(a), 17:11C-41(f).

Does statute restrict balloon payments or irregular payment schedules? Statute contemplates single-payment loans. § 17:11C-3. Every multiple installment closed-end fixed-rate consumer loan contract must provide for repayment in installments payable at approximately equal periodic intervals of time and arranged so that no installment is substantially greater in

amount than any preceding installment, but adjustments are allowed to accommodate seasonal income. § 17:11C-41(d).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay closed-end installment loan in any amount at any time. § 17:11C-34(c). Prepayment penalties are likely prohibited because not authorized by § 17:11C-33(a). Statute is silent on rebate method, but § 17:11C-32 requires that interest and payments be calculated based on actuarial method, and that it should be computed only on unpaid principal balances, which implies that actuarial rebates must be made.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignments are prohibited and void. § 17:11C-41(a). Liens on real estate other than judgment liens are prohibited. § 17:11C-41(b).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? No. Criminal usury statute, § 2C:21-19, prohibits charging more than 30% notwithstanding any statute permitting an agreed rate.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report with information specified by commissioner. § 17:11C-43.

Other significant features: Prohibits evasions, including those accomplished by way of wage assignments or sale-resale of personal property. §§ 17:11C-38, 17:11C-40, § 17:11C-41(e). Loan-splitting prohibited. §§ 17:11C-32(g), 17:11C-37.

NEW MEXICO

N.M. Stat. Ann. §§ 58-15-1 to 58-15-39 (Small Loan Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to lenders making loans of \$2,500 or less. Exempts banks, savings and loan associations, credit unions, and licensed pawnbrokers. § 58-15-3(A), (C).

Licensure requirements and implications of licensure: May not engage in business of lending in amounts of \$2,500 or less without first having obtained a license. § 58-15-3(A).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute applies only to "installment loan," defined as a loan that is to be repaid in a minimum of 4 successive substantially equal payments, with a period of no less than 120 days to maturity. § 58-15-2(E).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Statute requires use of simple interest method, § 58-15-14.1, but does not otherwise limit interest rates.

What loan fees are allowed? Recording fees, but not notary fees for taking or releasing a lien. § 58-15-20(A), (C).

What types of insurance are allowed, and any limits the lending statute places on charges? Statute allows term life insurance or credit life insurance, but no other type of life insurance, and prohibits property insurance on unsecured loans. § 58-15-16. Statute also gives director the authority to regulate insurance sales by licensees, § 58-15-11, but does not otherwise specify what types of insurance can be sold.

Does statute prohibit all other fees besides those specifically allowed? Fees not specifically allowed are prohibited.

Does statute restrict balloon payments or require substantially equal installments? Installment loan is defined

as one to be repaid in substantially equal payments. § 58-15-2(E).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Prepayment penalties are unenforceable. § 58-15-15.1.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Definition of “installment loan” excludes those for which lender requires post-dated checks or debit authorizations. § 58-15-2(E). § 58-15-32 allows postdated checks and ACH authorizations only for payday loans.

Does statute prohibit unconscionable loan charges? Statute is silent, but state deceptive practices statute’s prohibition against unconscionability has been applied to loan charges.

Must lender underwrite or evaluate borrower’s ability to repay? Annual report must include procedures the licensee follows as a standard practice to establish each consumer’s ability to repay a loan. § 58-15-10.1(A)(14).

Is lending under this statute exempt from state criminal usury law? No, but state’s criminal usury law, §§ 30-43-1 to 30-43-5, applies only where violence or other non-petty criminal acts are threatened or used in collection of a debt that carries an interest rate exceeding 45%.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: The statute requires an annual report giving such relevant information as the director may reasonably require concerning the business and operations during the preceding calendar year for each licensed place of business. A summary of the reports shall be included in the published annual report of the director. § 58-15-10(C). Annual report must include: (1) a description of each loan product offered by the licensee, including: (a) all fees; (b) the minimum, maximum and average annual interest rate; (c) the frequency of periodic payments; (d) the term of the

loan; and (e) any other standard conditions of the loan product; (2) the total number of transactions entered into for each loan product in the following amounts: (a) \$500 or less; (b) \$501 to \$1,000; (c) \$1,001 to \$3,000; (d) \$3,001 to \$5,000; and (e) greater than \$5,000; (3) the total number of loans and the total dollar amount of loan principal for each loan product; (4) the average principal loan amount for each loan product; (5) the total number of loans for which the loan principal and accrued interest was not paid in full; (6) the total dollar amount of principal loaned; (7) the total dollar amount of loan principal repaid; (8) the total dollar amount of interest received; (9) the total dollar amount and description of fees received; (10) the total number of loans that were secured by collateral of some type and the total number of such loans in which the security was foreclosed upon or repossessed; (11) the total amount of loan principal and the total amount of accrued interest written-off or charged-off; (12) the percent of consumers who were new consumers; (13) the number of loans that were renewed, refinanced or extended prior to being repaid in full; and (14) procedures the licensee follows as a standard practice to establish each consumer’s ability to repay a loan. §§ 58-15-10, 58-15-10.1(A). However, the department reports that only licensees that make any loan product, with the exception of payday loans, that exceeds an APR of 175%, are required to submit annual reports.

Other significant features: Anti-evasion provisions. §§ 58-15-3(D), 58-15-21.

NEW YORK

N.Y. Banking Law §§ 340 to 361 (McKinney) (Licensed Lender Law).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to anyone making loans of \$25,000 or less to an individual for personal, family, household, or investment purposes (up to \$50,000 if a business or commercial loan) who charges more than otherwise legal rate. Does not apply to pawnbrokers licensed under Gen. Bus. Law §§ 40–55. Banking Law § 340.

Licensure requirements and implications of licensure:

License required. § 340. Statute prohibits any entity other than a licensee from charging interest greater than the otherwise legal rate, and provides that a loan is unenforceable if more interest is charged than allowed by law. § 356.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: \$25,000 or less (\$50,000 or less if a business or commercial loan). §§ 340, 351.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? § 351 allows agreed rate, but criminal usury law has 25% cap. N.Y. Penal Law § 190.40. For loans greater than the \$25,000 or \$50,000 scope of this statute, licensee is limited to the rate permitted by Gen. Oblig. Law § 5-501 (namely 16%). Banking Law § 353.

What loan fees are allowed? Recording fees, or non-filing insurance premiums up to \$7. § 351(6)(a).

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance on collateral other than household goods if loan is for \$250 or more; liability insurance on a motor vehicle securing the loan; credit life insurance, credit accident and health insurance, and credit unemployment insurance. § 357.

Does statute prohibit all other fees besides those specifically allowed? Yes. §§ 351(6), 353.

Does statute restrict balloon payments or require substantially equal installments? Statute is silent.

Any restrictions on refinancing? Refinanced loan can include only 60 days of unpaid interest from prior loan, § 351(4), but otherwise statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Actuarial rebate, but lender may keep minimum charge of \$10 and no refund of less than \$1 need be made. § 351(5)(a). Licensee must permit payment to be made in advance in any amount on any

loan at any time. § 352. Prepayment penalties likely prohibited since not authorized by §§ 351(3), 353.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? May not take lien other than judgment lien upon real estate. § 350(2). Assignment of unearned wages is prohibited unless revocable or a payroll deduction plan. § 354.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? No. See N.Y. Dept. of Fin. Servs., Banking Interpretation (Nov. 6, 2007), available at http://www.dfs.ny.gov/legal/interpret_opinion/banking/lo071106.htm; Banking Interpretation (June 13, 2006), available at http://www.dfs.ny.gov/legal/interpret_opinion/banking/lo060613.htm.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving such information as superintendent may require. Superintendent shall publish annual report showing the combined assets and liabilities of all licensed lenders. § 349.

Other significant features: Not applicable.

NORTH CAROLINA

N.C. Gen. Stat. §§ 53-164 to 53-191 (Consumer Finance Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Law does not apply to banks, trust companies, savings and loan associations, cooperative credit unions, agricultural credit corporations or associations organized under the laws of North Carolina, production credit associations organized under the Farm Credit Act, pawnbrokers, industrial banks, the business of negotiating real estate loans, or certain persons engaged in the business of dealing

in, buying, or discounting installment obligations secured by personal property. § 53-191.

Licensure requirements and implications of licensure: Must have license to engage in business of lending in amounts of \$15,000 or less and contract for charges greater than permitted by the state's general usury law (6 points above Treasury rate or 16%, whichever is higher, as set by § 24-1.1). §§ 53-166(a), 53-168(a).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute allows licensees to make loans of \$15,000 or less, which must be repayable in substantially equal consecutive monthly payments over at least 12 months but no more than 96 months. § 53-176(a).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- For loan not exceeding \$10,000, 30% on first \$4,000, 24% on next \$4,000, and 18% on remainder.
- For loan exceeding \$10,000, 18%.

§ 53-176(a).

What loan fees are allowed?

- Processing fee of \$25 for loans up to \$2,500; 1% of the cash advance for loans above \$2,500, not to exceed a total fee of \$40. § 53-176(b).
- Recording fees, or premium for non-filing insurance if at least \$1.00 less than recording fees, but not notary fees. § 53-177(a).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life, credit accident and health, credit unemployment, and credit property insurance. § 53-189.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 53-178.

Does statute restrict balloon payments or require substantially equal installments? Must provide for repayment in substantially equal installments at approximately

equal periodic intervals of time. § 53-180(a). Payments must be due monthly. § 53-176(a).

Any restrictions on refinancing? Processing fee can be charged no more than twice in any 12-month period. § 53-176(b). Upon refinancing, loan principal can include no more than 90 days of unpaid interest from the prior loan. § 53-173(b).

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay all or any part of a loan without penalty. § 53-176(e). Statute is silent on rebate requirements, but § 53-173, which requires interest to be calculated on the unpaid balances, implies that rebates must be actuarial.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Security interests in real estate are prohibited. §§ 53-176(a), 53-180(f). Wage assignments are prohibited and unenforceable. § 53-180(b).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report, including licensee's assets, liabilities, income, expense, gain, loss, and any other information as the commissioner may require. § 53-184(b).

Other significant features: Anti-evasion provision. § 53-166. No loan splitting. § 53-178. Licensee shall not grant a loan in one office to any borrower who already has a loan in another office (in-state or out-of-state) operated by the same entity or a related entity. § 53-179. Sale of wages is a loan. § 53-180(b).

N.C. Gen. Stat. §§ 24-1 to 24-11.2 (Interest—General Provisions).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to all lenders. §§ 24-1.1(a), 53-141(2) (applying these rates to industrial banks).

Licensure requirements and implications of licensure: Not a licensing statute.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Does not apply to loans over \$300,000. § 24-1.1(f).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Interest rate limits inapplicable to loans over \$300,000, loans not made to individuals, loans for non-consumer purposes, and revolving credit offered by banks. § 24-9.

What rate of interest is allowed?

- For loan not exceeding \$25,000, 16% or 6 percentage points above a Treasury bill rate, whichever is higher.
- For loan exceeding \$25,000, no cap.

§ 24-1.1(a), (c).

What loan fees are allowed? For loan not secured by real property, bank or savings institution may charge origination fee of .025% of loan amount or \$50, whichever is higher. § 24-1.1(e). Also, recording fees, third-party fees, and fees due to governmental bodies under loan guarantee and similar programs. § 24-8(d).

What types of insurance are allowed, and any limits the lending statute places on charges? Statute is silent.

Does statute prohibit all other fees besides those specifically allowed? Statute allows parties to contract for interest “not in excess” of the stated amounts. § 24-1.1(a). See also §§ 24-8 (general prohibition against charging amounts other than those authorized), 53-141(2) (providing that industrial banks may charge interest “not exceeding” these rates).

Does statute restrict balloon payments or require substantially equal installments? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Statute is silent.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Statute is silent.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Statute is silent.

NORTH DAKOTA

N.D. Cent. Code §§ 13-04.1-01 to 13-04.1-17 (Money Brokers).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Chapter does not apply to: banks; credit unions; savings and loan associations; insurance companies; mortgage loan originators; state or federal agencies and their employees; institutions chartered by the Farm Credit Administration; trust companies; any other person or business regulated and licensed by the state; brokers, real estate brokers, or real estate salespersons who arrange financing for real estate they are selling; retail sellers or others that provide lease financing; or leases on real property. § 13-04.1-02.1.

Licensure requirements and implications of licensure: Must have license to engage in money brokering (arranging or providing loans or leases).

§§ 13-04.1-01.1(4) (definition of “money brokering”), 13-04.1-02.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute imposes restrictions only on loans of \$1,000 or less. For these loans, loan term must not exceed 24 1/2 months. § 13-04.1-09.2(1), (5).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

For loans of \$1,000 or less:

- 30% on first \$250;
- 24% on next \$250;
- 21% on next \$250; and
- 18% on remainder

Lender may calculate finance charge on an add-on (dollars per hundred) basis as long as the resulting finance charge does not exceed these percentage-based amounts. § 13-04.1-09.2(1). For loans over \$1,000, there is no restriction on finance charges. The criminal usury statute’s cap is 5.5 percentage points above a Treasury bill rate, but no less than 7%, § 47-14-09, but it is inapplicable to any loan made by a lending institution which is regulated or funded by an agency of a state or of the federal government, so would not apply to a lender licensed under this statute.

What loan fees are allowed? Recording fees. § 13-04.1-09.2(7).

What types of insurance are allowed, and any limits the lending statute places on charges? Statute allows lender to charge premium for insurance “provided for by rule,” § 13-04.1-09.2(7), but no rules have been found, so lenders do not have authority to charge borrowers for insurance for the loans of \$1,000 or less that are subject to this provision. Other than that, statute is silent, except that it provides that it is a violation to knowingly cause or require a borrower to obtain property insurance coverage in an amount that

exceeds the replacement cost of the improvements as established by the property insurer. § 13-04.1-09(14).

Does statute prohibit all other fees besides those specifically allowed? Yes, for loans of \$1,000 or less. § 13-04.1-09.2(7).

Does statute restrict balloon payments or irregular payment schedules? Loans must require payment in installments payable at approximately equal periodic intervals, except to accommodate borrowers with seasonal incomes. No installment contracted for may be substantially larger than any preceding installment. § 13-04.1-09.2(1), (5) (applicable to loans of \$1,000 or less).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Yes, for loans of \$1,000 or less. For prepayment in full of loan under § 13-04.1-09.2 in which charges have been calculated on an add-on (dollar per hundred) basis, lender must make Rule of 78s rebate, but no refund of \$1 or less need be made. § 13-04.1-09.2(2). Prepayment penalties are likely prohibited because not authorized by § 13-04.1-09.2(7).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute is silent.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury statute’s cap applies “[e]xcept as otherwise provided by the laws of this state,” and also does not apply to a loan “made by a lending institution which is regulated or funded by an agency of a state or of the federal government.” § 47-14-09(2)(e).

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Loan splitting prohibited for loans of \$1,000 or less. § 13-04.1-09.2(6).

OHIO

Ohio Rev. Code Ann. §§ 1321.01 to 1321.20 (West) (Small Loans).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Does not apply to:

- Banks, savings banks, savings societies, trust companies, or credit unions.
- Savings and loan associations whose business is substantially confined to real estate loans and evidences of their own indebtedness.
- Lenders registered under §§ 1321.51 to 1321.60 (Second Mortgage Security Loans).
- Insurance premium finance companies.
- Licensees under the Short Term Loan Act.
- Licensees under the state insurance law.

§ 1321.02.

Licensure requirements and implications of licensure: Must have license to engage in business of lending money in amounts of \$5,000 or less and charge interest and charges greater than amount that would be allowable for unlicensed lender. Loan in violation of this requirement is void. § 1321.02.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: \$5,000 or less. § 1321.02.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 28% on first \$1,000, and 22% on remainder, § 1321.13(A), or agreed rate up to 25%. § 1321.15(B). However, a credit services organization that is completely separate from the lender may be able to charge a fee to arrange a loan at these rates, thereby increasing the cost of credit to the borrower.

What loan fees are allowed?

- Recording fees.
- Fees for credit reports.
- For loan of \$500 or less, origination fee of \$15 or 1% of the principal, whichever is greater; for all other loans, \$30 or 1% of the principal, whichever is greater.

§ 1321.13(G), (I).

What types of insurance are allowed, and any limits the lending statute places on charges?

Credit life, accident and health insurance, and unemployment insurance; property insurance on collateral or other property. § 1321.13(E), (F).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 1321.13(G). However, Ohio Admin. Code 1301:8-2-20 allows licensees to engage in other transactions with borrowers, provided the transactions are not a condition of the loan.

Does statute restrict balloon payments or require substantially equal installments? Precomputed loan must be repayable in substantially equal and consecutive monthly installments, but lender may make adjustments to accommodate borrower with seasonal income, and minor deviations are allowed for first payment. § 1321.13(D)(1).

Any restrictions on refinancing? Allowable origination fee is reduced to \$15 for refinancing of loan of \$500 or less within six months, and reduced to \$30 for any refinancing of loan over \$500. § 1321.13(I).

Any rebate requirements or restrictions on prepayment penalties? Rule of 78s if loan term is 61 months or less; otherwise actuarial. §§ 1321.01(A)(9) (definition of “applicable charge”), 1321.13(D)(3).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Security interest, other than judgment lien, in real estate is prohibited. § 1321.12. Wage assignments are invalid, but employee may authorize revocable payroll deduction plan. § 1321.32.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Statute is silent, but criminal usury statute, § 2905.21, allows interest in excess of its cap if "otherwise authorized by law."

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving information as required by the superintendent of financial institutions. The division publishes an annual analysis and recapitulation of the reports. § 1321.09(A).

Other significant features: Loan-splitting prohibited. § 1321.15.

Statute name and citation: Ohio Rev. Code Ann. §§ 1321.51 to 1321.60 (Second Mortgage Security Loans).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Does not apply to:

- Banks, savings banks, trust companies, savings and loan associations, and credit unions, and their subsidiaries if regulated by a federal banking agency and owned and controlled by the depository institution.
- Life, property, or casualty insurance companies licensed to do business in the state Loans made pursuant to §§ 1321.01 to 1321.19 (Small Loan Act).
- Business loans described in § 1343.01(B)(6).
- Political subdivisions and governmental agencies and organizations.
- Colleges.
- Credit union service organizations that use services provided by registered mortgage loan originators or that hold a valid letter of exemption.

§ 1321.53(D).

Licensure requirements and implications of licensure: Must register in order to, *inter alia*, make loans of \$5,000 or more that exceed the generally applicable interest rate cap and are unsecured or secured by other than real property. § 1321.52(A)(1)(d), (C). Lender has no right to collect any interest or charges on loan made in violation of registration requirement. § 1321.52(D).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Registration requirement applies only if lender is making residential mortgage loans or loans of \$5,000 or more that are unsecured or secured by other than real estate. § 1321.52(A)(1)(d).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 21% or agreed rate up to 25%. §§ 1321.57(A), 1321.571.

What loan fees are allowed?

- Recording fees. § 1321.57(H).
- Fee up to \$10 for credit investigation. § 1321.57(H).
- Origination charges as follows (§ 1321.57(J)):
 - For unsecured loans, \$15 if loan is \$500 or less; \$30 if loan is more than \$500 but less than \$1,000; \$100 if loan is at least \$1,000 but less than \$5,000; and \$250 or 1% of principal, whichever is greater, if loan is at least \$5,000;
 - For loan secured by goods or real estate, \$15 if loan is \$500 or less; \$30 if loan is more than \$500 but less than \$1,000; \$100 if loan is more than \$1,000 but less than \$2,000; \$200 if loan is at least \$2,000 but less than \$5,000; and \$250 or 1% of principal, whichever is greater, if loan is at least \$5,000.

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life insurance, credit accident and health insurance, and unemployment insurance; property insurance on collateral and other property. § 1321.57(F).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 1321.57(H). However, it also provides that it does not prohibit a registrant from engaging in other transactions with the borrower, provided that they are not a condition of the loan.

Does statute restrict balloon payments or irregular payment schedules? Precomputed loans must be repayable in monthly installments of principal and interest combined, except that minor variations are allowed for due date and amount of first payment, and installment due dates may be omitted to accommodate borrowers with seasonal income. § 1321.57(D).

Any restrictions on refinancing? If refinancing occurs within 90 days, lender cannot charge origination fee on amount applied to unpaid balance of prior loan. § 1321.57(J)(2).

Any rebate requirements or restrictions on prepayment penalties? When a precomputed loan is prepaid in full, Rule of 78s rebate (sum of the balances method) if loan term is 61 months or less; otherwise actuarial rebate. §§ 1321.51(I), 1321.57(D)(3). Special rules for loans secured by real estate § 1321.57(G). Prepayment penalties are likely prohibited because not authorized except for loans secured by real estate. § 1321.57(G), (H)(1).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? A registrant may make unsecured loans, loans secured by a first or junior mortgage on a borrower's real estate, loans secured by other than real estate, and loans secured by any combination of mortgages and security interests. § 1321.52(C). Wage assignments are invalid, but employee may authorize revocable payroll deduction plan. § 1321.32.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Statute is silent, but criminal usury statute, § 2905.21, allows interest in excess of its cap if "otherwise authorized by law."

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report. The division shall publish an annual analysis of the information. § 1321.55(B).

Other significant features: Loan splitting prohibited. § 1321.59.

OKLAHOMA

Okla. Stat. tit. 14A, §§ 1-101 to 6-113 (Consumer Credit Code).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Act prescribes maximum charges for all creditors, except lessors, but excludes:

- Extensions of credit to government or governmental agencies.
- Most sales of insurance.
- Transactions under public utility or common carrier tariffs if certain elements are regulated.
- Pawnbrokers.
- For most purposes, loans to build or purchase a residence or to refinance such a loan when made by a lender whose loans are supervised by an agency of the U.S. or made by a FHA approved mortgagee.

§ 1-202. In addition, "consumer loan" is defined to exclude, for purposes other than disclosure requirements, loans granted by institutions of postsecondary education, and certain loans secured primarily by an interest in land if finance charge does not exceed 13%. §§ 3-104, 3-105.

Licensure requirements and implications of licensure: In order to make (or take an assignment of and collect) a supervised loan (defined by § 3-501 as one exceeding 10% interest), must either be a supervised financial organization (a depository institution organized, chartered, or authorized under Oklahoma or U.S. statutes) or obtain a license. § 3-502. Loan made in violation of licensure requirements is void. § 5-202.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Excludes loans over \$50,000 (adjusted annually for inflation) except for private student loans and loans secured by an interest in land. § 3-104. For loans of \$1,470 or less made under § 3-508B, maximum loan term is one month for each \$20 of principal (one month for each \$10 if loan is for less than \$490, up to a maximum term of 18 months). For loans greater than \$143.95 made under § 3-508B, the minimum loan term is 60 days. § 3-508B(2), (3). Closed-end supervised loan of \$4,900 or less at more than 18% must be payable over no more than 49 months (no more than 37 months if principal is \$1,470 or less). § 3-511.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? For loan other than supervised loan, 10%. § 3-201(1). For supervised loan, either:

- 25%; or
- 27% on first \$2,910, 23% on amount over \$2,910 but not exceeding \$6,200, and 20% on amount over \$6,200. § 3-508A.

In the alternative, on loans of \$1,470 or less, supervised lender may charge:

- For loan up to \$143.95, \$4.80 for each \$24.00 of principal.
- For loan over \$143.95 and up to \$171.50, 10% of the amount of the principal, plus \$14.70 per month as installment account handling charge.
- For loan over \$171.50 but not exceeding \$343.00, 10% of the principal plus \$17.15 per month as installment account handling charge.
- For loan over \$343.00 but not exceeding \$490.00, 10% of the principal plus \$19.60 per month as installment account handling charge.
- For loan over \$490.00 but not exceeding \$735.00, 10% of the principal plus \$22.05 per month as installment account handling charge.

- For loan over \$735.00 but not exceeding \$1,470.00, 10% of the principal plus \$24.50 per month as installment account handling charge

§ 3-508B(1).

What loan fees are allowed?

- Official fees, defined by § 1-301(11) as recording fees or non-filing insurance premium if less than those fees.
- Reasonable closing costs and taxes, including taxes for recording instruments.
- Charges for other benefits, including insurance, if valuable to debtor, reasonable in cost, and authorized by rule.
- A charge for processing debtor's application for credit, including but not limited to costs of services such as credit reports, credit investigations, appraisals, and fees for preparation of loan-related documents.
- Fees for pest infestation or flood hazard inspections conducted prior to closing.

§ 3-202(1). Section 6-104(4) gives the administrator the authority to adopt rules limiting these charges. This authority includes limiting the charges if necessary to protect Oklahoma debtors from being subjected to charges which are unreasonable or excessive as compared to the prevailing charges being imposed by out-of-state lenders and sellers.

What types of insurance are allowed, and any limits the lending statute places on charges? Statute allows creditor to charge for insurance written in connection with the loan, other than insurance protecting the lender against the debtor's default or other credit loss, and specifically mentions property or liability insurance and credit life, accident, and health insurance. §§ 3-202(3), 4-104. Insurance charges are not allowed on loans made under § 3-508B (loans of \$1,470 or less). § 3-508B(5).

Does statute prohibit all other fees besides those specifically allowed? § 3-508B(5), which governs certain loans of

\$1,470 or less, prohibits any other fees, but otherwise statute is silent.

Does statute restrict balloon payments or irregular payment schedules? For closed-end consumer loan, debtor has right to refinance any balloon payment without penalty on terms at least as favorable as original terms, unless payment schedule was adjusted to seasonal or irregular income of debtor. § 3-402. Any loan made under the terms of § 3-508B (loans of \$1,470 or less) shall be scheduled to be payable in substantially equal installments at not less than 30-day intervals. § 3-508B(3). Closed-end supervised loan of \$4,900 at more than 18% must be payable in substantially equal installments at equal periodic intervals except to accommodate debtor's seasonal or irregular income. § 3-511.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Debtor may prepay in full at any time without penalty. § 3-209. Upon prepayment in full of precomputed loan, borrower is entitled to actuarial rebate if loan term is more than 61 months, but otherwise Rule of 78s rebate (sum of balances method). No rebate required if less than \$1.00, and lender may keep minimum charge of \$5.00 if principal was \$75 or less, or \$7.50 if principal was more than \$75.00. § 3-210.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignments are prohibited and unenforceable, but employee may revocably authorize deductions from earnings. § 3-403(1). Security interest in land is prohibited and void for supervised loan with principal or credit limit of \$4,900 or less and finance charge over 21%. § 3-510. Security interest in motor vehicle is prohibited for supervised loan of \$300 or less. § 3-515.

Does statute prohibit unconscionable loan charges? Yes. § 5-108.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Supervised lenders are required to file an annual report regarding their business operations for each licensed place of business. The department compiles the information from each licensee's report into a consolidated report of the industry. § 3-506(5).

Other significant features: Prohibits loan-splitting. § 3-509.

OREGON

Or. Rev. Stat. §§ 725.010 to 725.910 (Consumer Finance Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to any person making "consumer finance loans," defined as secured or unsecured loans or lines of credit that have periodic payments and terms longer than 60 days. §§ 725.010, 725.045. However, the Act does not apply to loans of \$50,000 or less (including business and agricultural loans) if interest rate does not exceed the greater of 12 percent, or five percent in excess of the discount rate. § 725.045 (cross-referencing §§ 82.010, 82.025). See next entry for exemptions from licensure requirement.

Licensure requirements and implications of licensure: Must have license to conduct a business in which person makes a consumer finance loan of \$50,000 or less, or acts as an agent, broker or facilitator for a person that makes such a loan. § 725.045(1). Section 725.045 creates an exception by cross-referencing § 82.025, which makes the generally-applicable prohibition against lending at a rate greater than authorized by statute inapplicable to FDIC-insured depository institutions, trust companies, credit unions, pawnbrokers, HUD-approved mortgage lenders, first lien and purchase money mortgage loans, certain other mortgage loans, federally guaranteed or insured loans, loans by tax-qualified

retirement plans, bona fide sales of securities or commercial paper, and interest charged by broker-dealers in certain circumstances.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: “Consumer finance loan” means a loan that is unsecured or secured by personal or real property and that has periodic payments and terms longer than 60 days. § 725.010(2).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? The greater of 36% APR or 30 percentage points in excess of the discount window primary credit rate. § 725.340(1).

What loan fees are allowed? May contract for and receive other reasonable and bona fide fees, expenses or damages, subject to oversight and regulation by the Department of Consumer and Business Services, including, by cross-reference to TILA, taxes and recording fees or non-filing insurance if no greater than the recording fees, and similar pass-through fees or charges. § 725.340(1)(b). The statutory list also includes prepayment fees and various types of collection expenses. The Department’s regulations, Or. Admin. R. 441-730-0000 to 441-730-0320, do not specify any other charges and fees that are allowed.

What types of insurance are allowed, and any limits the lending statute places on charges? Statute specifically allows force-placement of insurance on the collateral, but otherwise is silent about insurance. § 725.340(3). The Department’s regulations, Or. Admin. R. 441-730-0000 to 441-730-0320, refer to credit insurance but do not specify the types for which the borrower may be charged.

Does statute prohibit all other fees besides those specifically allowed? Statute is silent. Section 725.340(1)(b) provides for the collection of “other reasonable and bona fide fees, expenses or damages, subject to oversight and regulation” and provides examples, but fees are not limited to those examples.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Upon prepayment in full of precomputed loan, borrower is entitled to actuarial rebate, but lender may keep minimum charge of \$75 or 10% of amount financed, whichever is less. § 725.340(2)(c). In addition, Or. Admin. R. 441-730-0205 prohibits prepayment penalties in certain circumstances.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Loan may be unsecured or secured by personal or real property. § 725.010(2). Wage assignments are prohibited and unenforceable, but borrower may revocably authorize payroll deductions. § 725.355. Or. Admin. R. 441-730-0015 prohibits lender from requiring postdated check or debit authorization as a condition of making a loan.

Does statute prohibit unconscionable loan charges? No, but statute limits fees other than interest to those that are reasonable and bona fide. § 725.340(1)(b).

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent, but Or. Admin. R. 441-730-0015 requires a determination of the creditworthiness of a borrower based on the information about the borrower’s financial condition, such as his or her income, assets, debts, and financial obligations, and the nature and value of any collateral used to secure the loan for the majority of loans made under a consumer finance license.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report containing information required by the director. § 725.190.

Other significant features: Not applicable.

PENNSYLVANIA

7 Pa. Stat. Ann. §§ 6201 to 6219 (West) (Consumer Discount Company Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Does not apply to: banking institutions, building and loan associations, credit unions, or entities licensed by the state Secretary of Banking under any other statute; installment sales or lease-purchases of personal property; or non-profit membership organizations that finance physicians', surgeons', or dentists' obligations. § 6217.

Licensure requirements and implications of licensure: License required to engage in business of making loans of \$25,000 or less and charge more than would be permitted without a license. § 6203.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: \$25,000 or less. § 6203. Lender may not charge discount interest on loan with term exceeding seven years and 15 days. § 6214(H).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Either 24% actuarial, or discount interest, calculated as follows:

- When contract is payable within 48 months, \$9.50 per \$100 per year.
- When contract is payable in more than 48 months, discount interest of \$9.50 per \$100 per year for the first 48 months plus \$6 per \$100 per year for remainder.

§§ 6213(E), 6217.1.

What loan fees are allowed?

- Service charge of \$1.50 for each \$50.00 or fraction thereof, capped at \$150.00, when interest is charged by the discount method § 6213(F).
- Minimum charge of \$6.00 per year (\$3.00 per year if loan is for \$25 or less. § 6213(G).

- Recording fees. § 6213(M).

What types of insurance are allowed, and any limits the lending statute places on charges? Statute allows lender to charge insurance premiums. §§ 6213(N), 6214(B). Statute refers to insurance on collateral, § 6218, but otherwise does not specify what types of insurance are allowed. Lender may also sell automobile and home security plans. § 6213(Q)(2).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 6214(B).

Does statute restrict balloon payments or irregular payment schedules? Lender may require payment of contracts in equal weekly, semi-monthly, monthly or any other periodic installments. § 6213(J). All installment contracts shall provide for repayment in substantially equal periods and in substantially equal amounts, except as necessary to take borrower's intermittent income into account. § 6214(F).

Any restrictions on refinancing? Licensee may charge service charge only on new money portion of refinance within four months of original loan. § 6214(E).

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay in whole or part at any time. Upon prepayment in full, borrower is entitled to Rule of 78s rebate (sum of balances method), but lender need not make rebate of less than \$1. § 6214(D). Prepayment penalties are likely prohibited because not authorized by § 6214(B).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Loan may be unsecured or secured by real or personal property. § 6213. However, licensees that engage in residential mortgage lending must meet special requirements under Pennsylvania's Mortgage Licensing Act, 7 Pa. Cons. Stat. Ann. §§ 6101 to 6153.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? This statute is silent, but criminal usury statute, 18 Pa. Stat. Ann. §§ 4806.1(h), 4806.3, applies only when interest over its 36% cap is not otherwise authorized by law

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving information as the Secretary of Banking may require. § 6210.

Other significant features: No loan splitting. § 6214(C). Does not prohibit wage assignments and sale-resale arrangements, but provides that the amount the lender receives in excess of the amount borrowed is interest. § 6218. Anti-evasion provisions. § 6218.

RHODE ISLAND

R.I. Gen. Laws §§ 19-14-1 to 19-14-7 (licensure provisions), §§ 19-14.2-1 to 19-14.2-16 (Small Loan Lenders Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Chapter 14, which includes primarily the licensing provisions, is inapplicable to a variety of types of business loans; certain loans made by life insurance companies; certain educational loans; the purchase of retail or loan installment contracts from a federal bank receiver or liquidator; credit sales; municipal, state, or federal agencies that make loans; and the negative equity portion of vehicle financing. Licensing provisions also do not apply to nonprofit charitable, educational, or religious organizations; persons who make fewer than 6 loans in a 12-month period; regulated institutions and banks or credit unions, including out-of-state banks and credit unions that meet certain conditions; closing agents; employees of lenders; attorneys performing loan closings; or licensed check cashers that make payday loans. § 19-14.1-10.

Licensure requirements and implications of licensure: Sections 19-14-1 and 19-14-2 require a variety of lenders, including small loan lenders, to be licensed.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: \$5,000 or less. §§ 19-14.2-1, 19-14.2-8. Term of loan of \$1,000 or less may not exceed 25 months. Term of loan exceeding \$1,000 but not exceeding \$5,000 may not exceed 60 months. § 19-14.2-11.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): “Small loan” is defined as one not secured by real estate. § 19-14-1(12).

What rate of interest is allowed?

- For loans up to and including \$300, 36%.
- For loans exceeding \$300 but not exceeding \$800, 30%.
- For loans exceeding \$800 but not exceeding \$5,000, 24%.

§ 19-14.2-8.

What loan fees are allowed? Lawful filing fees, plus “other fees listed in § 6-26-2(c) or as authorized by regulation.” § 19-14.2-12. The additional fees listed in § 6-26-2 are attorney fees for preparation of loan documents, fees for title examination or title insurance, and “other customary and reasonable costs incident to the closing, supervision, and collection of loans in this state.”

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life insurance, credit accident and health insurance, credit unemployment insurance, property and liability insurance on collateral. §§ 19-14.2-3, 19-14.2-12 (incorporating § 6-26-2, which incorporates tit. 27, chs. 30 and 31).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 19-14.2-12.

Does statute restrict balloon payments or require substantially equal installments? Contract must provide for repayment of the loan in substantially equal installments at approximately equal periodical intervals of time. § 19-14.2-11.

Any restrictions on refinancing? Principal of refinance loan cannot include unpaid interest that accrued on the prior loan more than 60 days previously, and cannot include any unpaid interest more than once in any 12-month period. § 19-14.2-10.

Any rebate requirements or restrictions on prepayment penalties? Lender shall permit prepayment in any amount at any time. § 19-14.2-4(2). Prepayment penalties are likely prohibited because not authorized by § 19-14.2-12. For precomputed interest on loans of 60 months or less, rebates to be calculated using the Rule of 78s. If greater than 60 months, simple interest method. § 19-14.1-2.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Statute prohibits wage assignments. § 19-14.2-5(5). Statute regulates security interests in household furniture but does not prohibit them. § 19-14.2-7.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Statute is silent, but criminal usury statute, § 6-26-2, states that its interest rate limits are "[s]ubject to the provisions of title 19."

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report with information that director may reasonably require. § 19-14-22.

Other significant features: Wage assignments are prohibited. § 19-14.2-5(5). Wage assignment transaction is a loan. § 19-14.2-6. No loan splitting. § 19-14.2-9. Anti-evasion provision. § 19-14.2-1(2).

SOUTH CAROLINA

S.C. Code Ann. tit. 37, ch. 3 ("South Carolina Consumer Protection Code-Loans").

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies generally to all lenders except federal credit unions (§ 37-1-202(10)). It applies to:

- Supervised financial organizations (i.e., a federally or state supervised depository lender, § 37-1-301(27)).
- Supervised lenders (a lender authorized to make supervised loans (i.e., loans at greater than 12% interest § 37-3-502) § 37-3-501(2)).
- Restricted Lenders (a lender licensed under tit. 34, ch. 29 to make loans of \$7,500 or less) except for their rates and charges (and the requirements for supervised lenders are inapplicable to restricted lenders).

Does not apply to:

- Extensions of credit to governments or governmental agencies.
- Most insurance sales, insurance rates, and insurance premium finance company transactions.
- Transactions under public or municipal utility or common carrier tariffs that meet certain conditions.
- Pawnbrokers.
- Rates and charges for restricted lenders, and their examination and licensing.
- Agricultural credit, for most purposes.
- Government-supported student loans.
- Federal credit unions.
- Certain transactions in securities or commodities accounts.

§ 37-1-202.

Licensure requirements and implications of licensure: To make supervised loans (defined by § 37-3-501(1) as consumer loans exceeding 12% interest other than mortgage loans and deferred presentment (payday) loans), or to take assignments of them and collect on

them, must either be a “supervised financial organization” (defined by § 37-1-301(27) as a depository institution or an organization authorized to advance or service insurance premiums) or obtain a license. § 37-3-502. If creditor makes supervised loan without a required license, consumer has claim for actual and statutory damages, and is not obligated to pay the excess charge. § 37-5-202.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: “Consumer loan” is defined as one in which principal does not exceed \$90,000 (adjusted for inflation from \$25,000) or the debt is secured by land. § 37-3-104. Supervised loan of \$1,080 (adjusted for inflation from \$300) or less must be payable over no more than 25 months; if more than \$1,080 but no more than \$3,600 (adjusted for inflation from \$1,000), must be payable over no more than 37 months. § 37-3-511.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): “Consumer loan” is defined to exclude those where principal exceeds \$90,000 (adjusted for inflation from \$25,000) unless the debt is secured by land. § 37-3-104. However, first lien mortgage loans are excluded from the definition of “consumer loan” for purposes of the provisions that are relevant to this summary. § 37-3-105. In addition, “supervised loan” is defined to exclude those secured by residential real estate or the borrower’s dwelling. § 37-3-501(1)(a).

What rate of interest is allowed? Lenders who are not supervised lenders: 12% per year. § 37-3-201(1). Supervised financial organizations (defined by § 37-1-301(27) as federally or state supervised depository lenders): 18% or any other rate that lender files and posts. § 37-3-201(2)(b). Supervised lenders may charge 18% (§ 37-3-201(c)) or:

- On loan not exceeding \$150: \$2.50 per month, plus initial charge of 7% of cash advance or \$56, whichever is less. (The total amount is considered to be the finance charge.)
- On loan of more than \$150 but not exceeding \$600: \$25 per \$100 per year (calculated by the add-on

method), plus 7% of cash advance or \$56, whichever is less.

- On loan of more than \$600: any rate that lender files and posts.

§ 37-3-201(2)(a) (setting rates for loans up to \$600 as those authorized by § 34-29-140, and requiring that maximum charge not exceed the rate filed with the state and posted); § 37-3-201(2)(b) (allowing any filed and posted rate for loan over \$600).

What loan fees are allowed?

- Official fees (defined by § 37-1-301(17) as recording fees or, with some limitations, non-filing insurance premiums, limited by § 37-4-208 to 75% of the recording fees) and taxes.
- Charges for other benefits conferred on the debtor, if valuable to the debtor and reasonable in price, of a type which is not for credit, and authorized by rule as permissible additional charges.

§ 37-3-202(1).

What types of insurance are allowed, and any limits the lending statute places on charges? May charge for insurance, including property insurance on property related to the credit transaction; liability insurance; credit life, accident and health, and unemployment insurance; vendor’s single interest insurance; and non-credit term life insurance; but cannot charge for insurance protecting the lender against the debtor’s default or other credit loss. § 37-3-202.

Does statute prohibit all other fees besides those specifically allowed? Consumer is not obligated to pay a charge in excess of that allowed by the statute. § 37-5-202(2).

Does statute restrict balloon payments or irregular payment schedules? Consumer has right to refinance any balloon payment without penalty at terms no less favorable than the original terms, with various exceptions, unless contract provides a different formula. § 37-3-402. Supervised loan of \$3,600 or less (adjusted for inflation from \$1,000) must be repayable in substantially equal installments at equal periodic

intervals except when adjusted due to borrower's seasonal or irregular income. § 37-3-511.

Any restrictions on refinancing? Lender holding license as supervised lender may not renew a loan of \$1,000 or less more than one time during any 15-month period where the amount actually given to the customer is less than ten percent of the net outstanding loan balance at the time of renewal. § 37-3-515.

Any rebate requirements or restrictions on prepayment penalties? Debtor may prepay in full at any time without penalty. § 37-3-209. Upon prepayment in full of a precomputed consumer loan, lender has option of either actuarial or Rule of 78s rebate if loan has no more than 61 installments; otherwise actuarial method is required. Whether loan is precomputed or not, creditor may retain minimum charge up to \$15, and no rebate of less than \$1.00 need be made. § 37-3-210.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? "Consumer loan" does not include a loan secured by a first lien or equivalent security interest in real estate. § 37-3-105(1). "Supervised loan" is defined to exclude those secured by residential real estate or the borrower's dwelling. § 37-3-501(1)(a). A security interest in land is prohibited and void for a supervised loan of \$3,600 or less (adjusted for inflation from \$1,000). § 37-3-510. Wage assignments are prohibited and unenforceable, but borrower may revocably authorize payroll deductions. § 37-3-403.

Does statute prohibit unconscionable loan charges? Yes. § 37-5-108.

Must lender underwrite or evaluate borrower's ability to repay? No separate requirement, but must consider to determine if unconscionable. § 37-5-108(4)(b).

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Entities licensed to make supervised

loans must file annual report stating: the number and aggregate dollar amounts of loans that renewed existing accounts, that were made to new borrowers; that received a final entry other than by renewal; the number of new loans and aggregate dollar amounts made to former borrowers; the number of renewals in which the borrower received a cash advance which was less than ten percent of the net outstanding loan balance at the time of renewal; the number of loans and aggregate dollar amounts outstanding at the beginning and at the end of the reporting period; and the highest annual percentage rate and most frequent annual percentage rate charged by the lender on loans of various sizes. § 37-3-505.

Other significant features: Prohibits loan splitting for supervised loans. § 37-3-509.

[S.C. Code Ann. §§ 34-29-10 to 34-29-260 \(Consumer Finance Law\).](#)

What types of lenders does it apply to (e.g., banks vs. non-banks)? Consumer finance companies (also referred to as restricted lenders), defined as all persons conducting the business of making advances of cash in amounts of \$75,000 or less. §§ 34-29-10, 37-3-501(3). Excludes banks, savings and loan associations, savings banks, trust companies, insurance companies, credit unions, licensed pawnbrokers, and loans made to corporations. § 34-29-20(b).

Licensure requirements and implications of licensure: Must be licensed in order to engage in business of lending amounts of \$7,500 or less at interest rate higher than general usury statute allows (which § 34-31-20 sets at 8.75%). § 34-29-20(a).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute allows loans of \$7,500 or less. § 34-29-140(a). Loan term cannot exceed:

Cash advance of \$1,000 or less	24 1/2 months
Cash advance of \$1,001 to \$1,500	36 1/2 months
Cash advance of \$1,501 to \$2,000	48 1/2 months
Cash advance of \$2,001 to \$7,500	60 1/2 months

§ 34-29-140(b).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- For loan not exceeding \$150: \$2.50 per month.
- For loan exceeding \$150 but not exceeding \$2,000: \$25 per \$100 per year on first \$720 (adjusted for inflation from \$600, \$18 per \$100 per year on amount exceeding \$720 but no more than \$1,200 (adjusted for inflation from \$1,000), and \$12 per \$100 per year on amount exceeding \$1,200 but not exceeding \$2,400 (adjusted for inflation from \$2,000). These rates are calculated by the add-on method.
- For loan of more than \$2,400 but not exceeding \$7,500: add-on rate of \$9 per \$100 per year.

In addition, a \$2 maintenance fee for each month in the loan term. § 34-29-140(a)(3), (i), (j).

What loan fees are allowed?

- For loans authorized under § 34-29-140(a)(1) and (2), i.e., loans up to \$2,400 (adjusted for inflation from \$2,000), 7% of the cash advance or \$56, whichever is less.
- For loans authorized under § 34-29-140(c), i.e., loans between \$2,400 and \$7,500, 5% of the cash advance or \$200, whichever is less.

§ 34-29-140. In addition, lender can charge for recording fees, or non-filing insurance if no more than 75% of those fees, § 34-29-164.

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance on personal property that is collateral; insurance on life and earning capacity of not more than two obligors; accident and health insurance. §§ 34-29-160.

Does statute prohibit all other fees besides those specifically allowed? Yes. If an amount in excess of charges permitted by chapter 29 is charged, contracted for, or received, except as result of accidental or bona fide error, the contract of loan is void, and licensee has

no right to collect or receive any principal, interest, charge, or recompense. § 34-29-140(e).

Does statute restrict balloon payments or irregular payment schedules? Payments must be in substantially equal, consecutive monthly installments and shall be in an amount not less than \$10 per month, exclusive of finance charges. § 34-29-140(b). However, loans not exceeding \$150 may be payable weekly. § 34-29-140(a)(1).

Any restrictions on refinancing? Lender may not renew a loan more than one time during any 15-month period where the actual dollars given to the customer is less than 10% of the net outstanding loan balance at the time of renewal. § 34-29-140(k). For loans up to \$2,000, lender may impose initial charge (7% or \$56) on a renewal loan only once in any three-month period. § 34-29-140(a)(2). For loans over \$2,000, lender may impose initial charge (5% or \$200) only once on a renewal loan in any 12-month period. § 34-29-140(a)(3).

Any rebate requirements or restrictions on prepayment penalties? Borrower has right to prepay in full and is entitled to Rule of 78s rebate (sum of the balances method), but if loan is renewed or refinanced during the first 90 days, refund shall be pro rata. § 34-29-140(c).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Lender may not make purchase money mortgage loan, but may make non-purchase money loan secured by primary or secondary lien on real estate. § 34-29-140(h). *See also* §§ 37-22-110, 37-22-120 (because it is a security interest on real estate, restricted lender is required to have mortgage lending license as well). Liens on household furniture are restricted but not prohibited. § 34-29-150(e).

Does statute prohibit unconscionable loan charges? Yes. § 37-5-108(6).

Must lender underwrite or evaluate borrower's ability to repay? No separate requirement, but must consider to determine if unconscionable. § 37-5-108(4)(b).

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving information on licensee's financial condition, balance sheets, income and expenses; a reconciliation of surplus with the balance sheets; a schedule of assets; an analysis of charges, size of loans and types of actions undertaken to effect collection; and such other relevant information as the board may prescribe. Report must also include: number of loans and aggregate dollar amounts which renewed existing accounts, which were made to former borrowers, and which were made to new borrowers; number of loans and aggregate dollar amounts which received a final entry other than by renewal; number of renewals in which the borrower received a cash advance which was less than ten percent of the net outstanding loan balance at the time of renewal; and number of loans and aggregate dollar amounts outstanding at beginning and end of reporting period. Board shall publish annual analysis and recapitulation. § 34-29-100.

Other significant features: Loan-splitting prohibited. § 34-29-140(d). Anti-evasion provision. § 34-29-20(a).

SOUTH DAKOTA

S.D. Codified Laws §§ 54-4-36 to 54-4-75 (Money Lenders Licenses).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Any person engaged in the business of lending money. § 54-4-40. Statute exempts banks and their subsidiaries, South Dakota chartered trust companies, and retail installment sellers. §§ 54-4-37, 54-4-64.

Licensure requirements and implications of licensure: No person may engage in the business of lending money (defined by § 54-4-36(2) to include originating, selling, servicing, acquiring, or purchasing loans, or servicing, acquiring, or purchasing retail installment loans) without a license. §§ 54-4-40, 54-4-52.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: "Short-term consumer loan" is defined as any loan to any individual borrower with a duration of six months or less, including a payday loan. § 54-4-36(13). "Installment loan" is a loan made to be repaid in specified amounts over a certain number of months. § 54-4-36(7). The maximum principal amount of any payday loan, or the total outstanding principal balances of all payday loans made by a licensee to a single borrower, may not exceed \$500 at any time. § 54-4-66.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Licensee may charge interest and other fees at rates, amounts, and terms as agreed to by the parties. § 54-4-44. *See also* §§ 54-3-13, 54-3-14 (regulated lenders, including installment loan licensees, are exempt from all limitations on interest rates they may charge).

What loan fees are allowed? See preceding entry.

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance on tangible property that is collateral. § 54-4-59. Debt cancellation or suspension contracts. § 54-4-75. Statute also provides that a licensee may sell insurance to anyone with whom the licensee has a lending relationship, and requires that credit life insurance or any other life or health insurance must be voluntary. § 54-4-60.

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? No licensee may renew, rollover, or flip a short-term consumer loan more than four times; each time, the debtor must reduce the principal amount of the loan by not less than ten percent of the original amount of the loan. § 54-4-65.

Any rebate requirements or restrictions on prepayment penalties? Statute is silent.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? “Loan” is defined to include unsecured loans and loans secured by real or personal property. § 54-4-11.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

TENNESSEE

Tenn. Code Ann. §§ 45-5-101 to 45-5-612 (Industrial Loan and Thrift Companies).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Industrial loan and thrift companies, industrial banks, industrial investment companies. § 45-5-103(a). Law is inapplicable to banks (other than industrial banks), savings and loan associations, credit unions, insurance companies, any other persons engaged in the business of making loans who are subject to supervision and regulation by a state or federal administrative agency, and licensed pawnbrokers. § 45-5-104.

Licensure requirements and implications of licensure: Registration required. § 45-5-103(a).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: For loan \$300 or less, loan term may not exceed 24 months; for loan of more than \$300 but less than \$1,000, may not exceed 36 months; for loan of \$1,000 or more that is

subject to chapter’s limitations on interest and loan charges, may not exceed 181 months. § 45-5-302(2). The minimum term of any loan made under the alternative rate structure described in § 45-5-403(b)(1) is 3 months, and the maximum term is 25 months. § 45-5-403(b)(2).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- On loan of less than \$100, 7.5% per annum discount interest, but capped at 18% actuarial. On loan of \$100 or more, 24% actuarial. §§ 45-5-301, 45-5-401(a)(1).
- As an alternative to the loan charges permitted under § 45-5-403(a) and interest permitted under § 45-5-301, for loan with term of at least 3 months but no more than 25 months, lender may charge an acquisition charge of 10% of principal plus and account handling charge of:
 - \$12 per month for loan of \$100 or more but no more than \$300;
 - \$14 per month for loan over \$300 but no more than \$400;
 - \$16 per month for loan over \$400 but no more than \$500;
 - \$20 per month for loan over \$500 but no more than \$1,000;
 - \$23 per month for loan over \$1,000 but no more than \$1,250;
 - \$26 per month for loan over \$1,250 but no more than \$1,500;
 - \$29 per month for loan over \$1,500 but no more than \$1,750;
 - \$32 per month for loan over \$1,750 but no more than \$2,000.
- No insurance or other charge is allowed for a loan under this section except late charges, dishonored check charges, and attorney fees for collection. § 45-5-403(b)(1), (4).

What loan fees are allowed?

- 4% of loan amount or a flat service charge of \$10 (less if loan is under \$100). § 45-5-403(a)(1), (2).
- In addition:
 - Recording fees or non-filing insurance if no more than those fees;
 - Installment maintenance fee of \$2.50 per month for loan of less than \$100, \$3.50 per month for loan of \$100 or more but no more than \$750, \$3.00 per month for loan of more than \$750 but no more than \$1,250, and \$2.50 per month for loan over \$1,250.

§ 45-5-403(a). These fees are not permitted for loans under alternative rate structure. § 45-5-403(b)(1), (4). A general provision of the statute provides that these loan charges can be imposed only if the loan term is at least three years. § 45-5-301(3).

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance on the collateral; life, disability, and involuntary unemployment insurance; individual term life and accidental death and dismemberment insurance. §§ 45-5-301(4), (5), (12), 45-5-305. No insurance allowed on loans under alternative rate structure in § 45-5-403(b)(1). § 45-5-403(b)(4).

Does statute prohibit all other fees besides those specifically allowed? Yes. § 45-5-403(a).

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? The flat service charges authorized by § 45-5-403(a)(2) (\$2 to \$10) cannot be charged on the portion of a loan that refinances an earlier loan. § 45-5-403(a)(2)(C).

Any rebate requirements or restrictions on prepayment penalties? If borrower prepays loan of less than \$100, entitled to actuarial rebate, with special calculation method if loan was repayable in single installment. Borrower has right to prepay loan of \$100 or more only if contract so provides. § 45-5-402(b)(1). If lender allows borrower to prepay loan of \$100 or more, borrower is entitled to Rule of 78s rebate (sum of the balances method), unless loan term is 61 months or

more, in which case actuarial rebate is required. No rebate required if less than \$1. § 45-5-402(a)(2), (b)(2)(C). On the prepayment of any loan under the alternative rate structure described in § 45-5-403(b)(1), the installment account handling charges are subject to rebate under § 45-5-402. § 45-5-403(b)(3).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Loans may be unsecured or secured by real or personal property. § 45-5-301(1).

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report stating names and addresses of registrant's officers and directors or partners, and persons owning controlling interest in registrant; registrant's business locations and the nature of the business conducted at each location; names and addresses of all affiliated lenders and affiliated insurance companies doing business in the state; and balance sheets, statements of income and expense, summaries of types of loans made, and other statistical information that may reasonably be required by the commissioner. Commissioner must prepare annual analysis and recapitulation of the reports. § 45-5-503. Registrants must also report certain events such as bankruptcy, revocation or suspension proceedings, and indictments or convictions. § 45-5-507.

Other significant features: Loan-splitting prohibited. § 45-5-302(11).

TEXAS

Tex. Fin. Code Ann. §§ 342.051 to 342.560 (West) (Consumer Loans).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to all lenders, but exempts some from licensure requirement.

Licensure requirements and implications of licensure: Must hold a license to engage in business of making, transacting, negotiating, collecting, or servicing loans subject to the chapter, or to charge interest greater than that otherwise authorized. Banks, savings banks, savings and loan associations, insurance premium finance companies, insurance agents who arrange loans on behalf of banks, savings banks, or savings and loan associations, e-filers authorized by IRS who arrange refund anticipation loans, and certain licensed or registered mortgage lenders and originators (limited to home equity and secondary mortgage loans) need not be licensed. § 342.051.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: For loans made under the add-on rates allowed by § 342.201(a) or the split rates allowed by § 342.201(e), **loan term cannot exceed:**

- 37 months if loan is for \$1,500 or less.
- 49 months if loan is for more than \$1,500 but no more than \$3,000.
- 60 months if loan is for more than \$3,000.

§ 342.508.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute applies to loans for consumer purposes, other than certain mortgage loans, if interest rate exceeds 10%. § 342.005.

What rate of interest is allowed?

For loan not secured by real property, three alternatives:

- Add-on interest of:

- \$18 per \$100 per year on first \$2,010 (adjusted for inflation from original amount of \$300); and
- \$8 per \$100 per year on amount over \$2,010 but no more than \$16,750 (adjusted for inflation from original amount of \$2,500). § 342.201(a).
- The simple interest rates set by §§ 303.001 to 303.017 (twice the rate on certain Treasury bills, with a cap ranging from 18% to 24% for consumer loans). §§ 342.201(d), 303.009.
- Split simple interest rates (referred to in Texas as “graduated rates” or “three-tiered rates”) as follows:
 - 30% on first \$3,350 (adjusted for inflation from original amount of \$500);
 - 24% on amount greater than \$3,350 but no more than \$7,035 (adjusted for inflation from original amount of \$1,050); and
 - 18% on amount greater than \$3,350 but no more than \$16,750 (adjusted for inflation from \$2,500). § 342.201(e).

See next summary for loans under subchapter F (Alternate Charges for Certain Loans), applicable to loans of \$1,340 or less.

What loan fees are allowed? Administrative fee of \$100. § 342.201(f); 7 Tex. Admin. Code § 83.503 (increasing the fee to \$100, effective July 10, 2014, and stating that it may be charged in addition to interest). Recording fees or non-filing insurance if less than those fees. §§ 342.416, 342.502(b).

What types of insurance are allowed, and any limits the lending statute places on charges? Lender may require property insurance on tangible personal property collateral for non-real property loan, but only if cash advance is \$300 or more. § 342.401. If cash advance is \$100 or more, lender may offer credit life, credit health and accident, and involuntary unemployment insurance. § 342.402. For loan that is not secured by real property and for which the finance charges are computed under the simple interest rates (18% to 24%) allowed by § 342.201(d), lender may offer, but not require, a debt suspension agreement or debt cancellation agreement, and, if a motor vehicle is collateral, a gap waiver agreement. § 342.4021. Authorized

lender (a bank, savings association, or licensed consumer lender) may offer, but not require, an automobile club membership. § 342.457.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 342.502.

Does statute restrict balloon payments or irregular payment schedules? No. Statute refers to single-payment loans and irregular transactions. §§ 342.201(c), 342.202. *See also* § 342.001(1), (2) (definitions of irregular and regular transactions).

Any restrictions on refinancing? Administrative fee (\$100) can be charged only once in any 180-day period, and only once in any 365-day period if lender charged the split simple interest rates allowed by § 342.201(e). § 342.201(f).

Any rebate requirements or restrictions on prepayment penalties? Lender must allow prepayment. § 342.453. Rebate is to be calculated using the “scheduled installment method,” which involves applying a daily rate to the unpaid balance of the principal amount as if each payment will be made on its scheduled installment date. No refund is required if amount is less than \$1. §§ 342.002(a), 342.351 to 342.353. *See also* 7 Tex. Admin. Code §§ 83.751 (prohibiting Rule of 78s for loans under this subchapter), 83.752 (identifying the fees that are subject to rebate), 83.753 (reiterating computation method). Prepayment penalties are prohibited on all chapter 342 consumer loans because they are not specifically authorized by § 342.502.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignments and liens on real property, other than judgment liens, are prohibited, but lender may take an assignment of a warrant drawn against a state fund or a claim against a state fund or a state agency. § 342.503.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent, but administrative rule

requires lenders making loans under chapter 342 to consider, in determining the size, duration, and schedule of installments, the financial ability of the borrower to repay the loan, and evaluate whether the borrower should be reasonably able to repay all other known obligations concurrently. 7 Tex. Admin. Code § 83.852.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Authorized lender (a bank, savings association, or licensed consumer lender) must file annual report containing information required by the commissioner. Commissioner shall publish annual consolidated analysis and recapitulation. § 342.559. However, 7 Tex. Admin. Code § 83.835 limits the annual reporting requirement to licensees of the Office of the Consumer Credit Commissioner, so it does not apply to banks, savings banks, savings and loan associations, or other lenders that need not be licensed.

Other significant features: Loan splitting prohibited. § 342.501. Anti-evasion provision. § 342.051(b).

[Tex. Fin. Code Ann. §§ 342.251 to 342.260 \(West\) \(Subchapter F: Alternate Charges for Certain Loans\).](#)

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to all lenders, but exempts some from licensure requirement.

Licensure requirements and implications of licensure: Must hold a license to engage in business of making, transacting, negotiating, collecting, or servicing loans subject to the chapter, or to charge interest greater than that otherwise authorized. Banks, savings banks, savings and loan associations, insurance premium finance companies, insurance agents who arrange loans on behalf of banks, savings banks, or savings and loan associations, e-filers authorized by IRS who arrange refund anticipation loans, and

certain licensed or registered mortgage lenders and originators (limited to home equity and secondary mortgage loans) need not be licensed. § 342.051.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Allows loans of \$1,340 or less (adjusted for inflation from \$200). § 342.251. Maximum scheduled loan term for a loan of \$100 or less is one month for each multiple of \$10 of the cash advance or six months, whichever is less; for a loan of more than \$100, one month for each multiple of \$20. § 342.255.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute applies to loans for consumer purposes, other than certain mortgage loans, if interest rate exceeds 10%. § 342.005.

What rate of interest is allowed?

- For loan of less than \$30, \$1.00 acquisition charge for each \$5 advanced.
- For loan of at least \$30 but no more than \$100, acquisition charge of 10% of the cash advance, plus account handling fee of \$3.00 a month if cash advance is \$35.00 or less, \$3.50 a month if cash advance is more than \$35.00 but no more than \$70.00, and \$4.00 a month if cash advance is more than \$70.00.
- For loan of more than \$100 but no more than \$1,340 (adjusted for inflation from \$100 and \$200), acquisition charge of \$10, or, if cash advance is \$30 or more, 10% of the cash advance or \$100, whichever is less; plus account handling fee of \$4 a month for each \$100 advanced.

§§ 342.251, 342.252, 342.259. 7 Tex. Admin. Code § 83.605.

What loan fees are allowed? No additional fees are allowed. § 342.254.

What types of insurance are allowed, and any limits the lending statute places on charges? No insurance charges are authorized. § 342.254.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 342.254.

Does statute restrict balloon payments or require substantially equal installments? No. Lender may make single-payment loan. § 342.253. May also require weekly, biweekly, or semimonthly installments. § 342.258.

Any restrictions on refinancing? Lender may not collect acquisition charge more than once a month. 7 Tex. Admin. Code § 83.605.

Any rebate requirements or restrictions on prepayment penalties? Upon prepayment of loan of \$30 or more, lender must make rebate of account handling charge, calculated using the Rule of 78s. No refund is required if amount is less than \$1. §§ 342.256, 342.259(b) (incorporating §§ 342.351 to 342.353). See also 7 Tex. Admin. Code §§ 83.751(b)(1) (allowing Rule of 78s for loans under this subchapter), 83.755 (identifying fees that are subject to rebate). Prepayment penalties are prohibited on all chapter 342 consumer loans because they are not specifically authorized by § 342.502.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Wage assignments and liens on real property, other than judgment liens, are prohibited, but lender may take an assignment of a warrant drawn against a state fund or a claim against a state fund or a state agency. § 342.503.

Does statute prohibit unconscionable loan charges? No.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent, but administrative rule requires lenders making loans under chapter 342 to consider, in determining the size, duration, and schedule of installments, the financial ability of the borrower to repay the loan, and evaluate whether the borrower should be reasonably able to repay all other known obligations concurrently. 7 Tex. Admin. Code § 83.852.

Is lending under this statute exempt from state criminal usury law? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Authorized lender (a bank, savings association, or licensed consumer lender) must file annual report containing information required by the commissioner. Commissioner shall publish annual consolidated analysis and recapitulation. § 342.559. However, 7 Tex. Admin. Code § 83.835 limits the annual reporting requirement to licensees of the Office of the Consumer Credit Commissioner, so it does not apply to banks, savings banks, savings and loan associations, or other lenders that need not be licensed.

Other significant features: Loan splitting prohibited. § 342.501. Anti-evasion provision. § 342.051(b).

UTAH

Utah Code Ann. §§ 70C-1-101 to 70C-8-203 (West) (Consumer Credit Code).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies generally to extensions of credit, broadly defined, to natural persons for consumer purposes, but excludes:

- Business, commercial, or agricultural credit.
- Closed-end credit secured by a first lien on a dwelling or building lot.
- Certain transactions in securities or commodities accounts.
- Credit over \$50,000 (adjusted for inflation), unless secured by real property or a personal-property dwelling.
- Certain transactions under public utility or common carrier tariffs.
- Most insurance sales.
- Licensed pawnbrokers.
- Certain educational loans.
- Rent-to-own transactions.

§§ 70C-1-201, 70C-1-202.

Licensure requirements and implications of licensure: Licensure is not required, but creditors subject to the Code, other than federally insured depository institutions and their wholly-owned subsidiaries, must file notification with the department at least 30 days before commencing business in the state. § 70C-8-202.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Law does not apply to extension of credit that is not secured by the consumer's principal dwelling and in which the amount financed or credit limit exceeds \$50,000 (adjusted annually for inflation). § 70C-1-202.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? Any rate set by contract. § 70C-2-101.

What loan fees are allowed? Any charges and fees other than those restricted or covered by other provisions of the Code. § 70C-2-101.

What types of insurance are allowed, and any limits the lending statute places on charges? Except as otherwise provided in statute, a creditor may agree to provide insurance. Statute specifically mentions property insurance on collateral, credit life insurance, and liability insurance. §§ 70C-6-103, 70C-1-204, 70C-6-202, 70C-6-303.

Does statute prohibit all other fees besides those specifically allowed? Debtor is not required to pay any charge in excess of those allowed by the Code. § 70C-7-201.

Does statute restrict balloon payments or require substantially equal installments? Debtor has right to refinance balloon payment on creditor's current credit terms if the creditor is still offering that type of credit and the debtor is credit worthy. § 70C-3-102.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Debtor may prepay closed-end consumer

credit debt at any time without penalty, with exception for certain loans secured by a dwelling. Rebate method is actuarial, but parties may agree that prepaid finance charges up to 5% of principal are not subject to rebate upon prepayment; prepaid finance charges over that amount must be rebated using pro rata method. Amounts paid to third parties in connection with setting up the credit are not subject to rebate unless the creditor becomes entitled to a rebate of any part of the payment as a result of the prepayment. § 70C-3-101.

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Wage assignments prohibited unless revocable, or a payroll deduction plan, or applicable only to wages already earned at the time of the assignment. § 70C-2-202.

Does statute prohibit unconscionable loan charges? Yes. § 70C-7-106.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Criminal usury statute, § 76-6-520, applies only where lender charges rate higher than that authorized by other law.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Statute is silent.

Other significant features: Not applicable.

VERMONT

Vt. Stat. Ann. tit. 8, §§ 2200 to 2244 (Licensed Lenders Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Most of the relevant provisions apply to licensed lenders. § 2201(a)

Licensure requirements and implications of licensure: Must have license to engage in business of making loans, except for:

- Political subdivisions of the state, or state or federal agencies or public instrumentalities.
- Gas or electric utilities subject to jurisdiction of the public service board engaging in energy conservation or safety loans.
- Depository institutions and similar organizations.
- Pawnbrokers.
- Insurance companies.
- Sellers that finance sales of goods or services.
- Certain low-volume seller/financers of homes.
- Certain non-profit lenders.
- Low-volume lenders who charge no more than 12% interest.
- Motor vehicle sellers who finance negative equity in some circumstances.
- Certain unsecured commercial loans.
- Nonprofit organizations that make college loans.
- Mortgage loans with family members.
- Housing finance agencies.

§ 2201. Loan made without required license is void. § 2215(d)(1).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute does not apply to commercial loans of \$1 million or more. § 2201(h).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? For installment loan, 24% on first \$1,000 and 12% on remainder, or 18%, whichever is higher. § 2230(a) (incorporating tit. 9, § 41a(b)(5)). For single payment loans, 18%. tit. 9, § 41a(b)(1).

What loan fees are allowed? Recording fees. § 2231.

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life and disability insurance. § 2231. In addition, § 2241(13) refers to property insurance.

Does statute prohibit all other fees besides those specifically allowed? Yes. §§ 2231(b), 2233.

Does statute restrict balloon payments or irregular payment schedules? Except for mortgage loans, must require repayment in substantially equal consecutive monthly installments. § 2231(a).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay in any amount at any time without penalty. § 2232a(d).

What security interests are allowed or prohibited (including postdated checks and ACH authorization)? Wage assignments are limited to 10% of wages but are not prohibited. § 2235.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

Is lending under this statute exempt from state criminal usury law? Criminal usury statute, Vt. Stat. Ann. tit. 9, § 50(e), prohibits collecting interest at rate over that authorized by other law.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving such relevant information as the Commissioner reasonably may require; annual financial statement with balance sheet and income statement. Commissioner shall publish annual analysis and recapitulation. § 2224.

Other significant features: Loan splitting prohibited. § 2230(c). Wage assignment is treated as a loan. § 2234.

VIRGINIA

Va. Code Ann. §§ 6.2-1500 to 6.2-1543 (Consumer Finance Companies).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Does not apply to banks, savings institutions, trust companies, building and loan associations, industrial loan associations, credit unions, licensed pawnbrokers, or persons operating in accordance with the specific provisions of any other provision of title 6.2, which includes provisions regarding vehicle title lenders, payday lenders, and mortgage lenders. § 6.2-1503.

Licensure requirements and implications of licensure: Must have license to make loans to individuals for consumer purposes at interest rate greater than allowed by general usury law (12%). License requirement does not apply to payday lenders, mortgage lenders, and those extending open-end loans. § 6.2-1501. Banks, savings institutions, trust companies, building and loan associations, industrial loan associations, and credit unions are ineligible for licensure, but a subsidiary of a bank or savings institution may obtain a license. § 6.2-1502. Loan made without a required license is void. § 6.2-1541.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- Loan of up to \$2,500: 36%.
- More than \$2,500: any rate stated in contract.

§ 6.2-1520(A).

What loan fees are allowed? Processing fee, but for a loan of \$2,500 or less it is treated as interest for determining whether loan is within the 36% cap; recording fees, or, on loans over \$100, the premium

for non-filing insurance if no more than that amount. §§ 6.2-1520(C), 6.2-1523.

What types of insurance are allowed, and any limits the lending statute places on charges? Insurance for the protection and benefit of the borrower; for loans over \$100, non-filing insurance. § 6.2-1523.

Does statute prohibit all other fees besides those specifically allowed? Yes. § 6.2-1523.

Does statute restrict balloon payments or irregular payment schedules? Loan contract must provide for repayment in substantially equal monthly installments, but first payment period can be up to 45 days. § 6.2-1524(K).

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Prepayment allowed. § 6.2-1524(F). Prepayment penalties impliedly prohibited because not authorized by § 6.2-1523. A general lending statute, § 6.2-404, applicable to “any loan of money,” provides that rebates to be calculated using the Rule of 78s unless the loan has an initial maturity of more than 61 months. However, provides: “The annual rate of interest shall be charged only upon principal balances outstanding from time to time. Interest shall not be charged on an add-on basis and shall not be compounded or paid, deducted or received in advance,” so interest cannot be precomputed and a the Rule of 78s rebate provision is irrelevant.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Lien on real estate, other than judgment lien, is prohibited and void. § 6.2-1524(C). Wage assignments are limited to 10% of the borrower’s salary, wages, commissions or other compensation for services, but are not prohibited. § 6.2-1526. Liens on household furniture are regulated but not prohibited. § 6.2-1527.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving such relevant information as may reasonably be required. § 6.2-1534.

Other significant features: Wage assignment is treated as security for a loan, and implicit interest rate shall not exceed 10% . § 6.2-1525. Anti-evasion provision. § 6.2-1501.

WASHINGTON

Wash Rev. Code §§ 31.04.015 to 34.04.903 (Consumer Loan Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies to loans, broadly defined, but excludes:

- Banks, savings banks, trust companies, savings and loan or building and loan associations, and credit unions.
- Pawnbrokers.
- Retail installment sellers, unless credit is extended to purchase merchandise certificates, coupons, open or closed loop stored value, or other similar items issued and redeemable by a retail seller other than the retail seller extending the credit.
- Entities making loans under check cashers law.
- Business, commercial, or agricultural loans unless secured by borrower’s primary residence.
- “Any person making loans made to government or government agencies or instrumentalities or making loans to organizations as defined in the federal truth in lending act.”
- Entities making loans under housing trust fund law or HUD, USDA, or similar federal programs
- Loans made by nonprofit housing organizations or under federal- or state-funded low-income housing programs.

- “Entities making loans that are not residential mortgage loans under a credit card plan.”
- Individuals employed by a licensed residential loan servicing company, unless so required by federal law or regulation.
- Licensed entities that process payments on seller-financed loans secured by liens on real or personal property.

§ 31.04.025.

Licensure requirements and implications of licensure: License required. If non-mortgage loan is made without a required license, fees, or interest must be refunded. § 31.04.035(1).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is silent.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? 25%. § 31.04.105(1).

What loan fees are allowed?

- Nonrefundable, prepaid, origination fee not to exceed 4% of the first \$20,000 and 2% of remainder. § 31.04.105(2).
- Actual fees paid to third parties who provide goods or services, including credit reporting agencies, title companies, appraisers, structural and pest inspectors, and escrow companies. No fees other than appraisal fees meeting statutory requirements may be collected unless a loan is made. § 31.04.105(3).

See also Wash. Admin. Code §§ 208-620-555, 208-620-560 (providing details about fees).

What types of insurance are allowed, and any limits the lending statute places on charges? Licensee may sell insurance covering real and personal property, covering the life or disability or both of borrower, and covering the involuntary unemployment of borrower. §31.04.105(10).

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Actuarial rebate required. § 31.04.125.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute is silent.

Does statute prohibit unconscionable loan charges? Statute is silent.

Must lender underwrite or evaluate borrower’s ability to repay? Statute is silent, and administrative code, Wash. Admin. Code § 208-620-506, which requires that underwriting standards include analysis of ability to repay, applies only to mortgage lending.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report with information as director may reasonably require. Director shall publish annual analysis and recapitulation § 31.04.155.

Other significant features: Not applicable.

WEST VIRGINIA

W. Va. Code §§ 46A-1-101 to 46A-8-102 (Consumer Credit and Protection Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Applies generally to consumer lending, but excludes:

- Extensions of credit to government or governmental agencies or instrumentalities.
- Sale of insurance by an insurer, except as otherwise provided.

- Certain transactions under public utility or common carrier tariffs.
- Licensed pawnbrokers.
- Mortgage lender and broker licensees, to the extent of a conflict with certain other laws.

§§ 46A-1-103, 46A-1-105.

Licensure requirements and implications of licensure:

Must obtain license in order to make regulated consumer loans (defined by § 46A-1-102(38) as loans at more than 18% except those that qualify for federal preemption of state interest rate limits or where another state law authorizes the interest rate) or take assignments of and undertake collection of them. § 46A-4-101. Loan made without a required license is void. § 46A-5-101(2).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: “Consumer loan” is defined as one where either the principal does not exceed \$45,000 or the debt is secured by an interest in land or a factory-built home. § 46A-1-102(15).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- For loan of \$2,000 or less by regulated lender that is not secured by real property, 31% actuarial.
- For loan by regulated lender of greater than \$2,000 or which is secured by real property, 27% actuarial, but 18% if loan exceeds \$10,000. § 46A-4-107.
- In the alternative, any lender may charge 6% add-on interest, or 6% discount interest (capped at 15% actuarial). § 46A-3-104(1) (incorporating § 47-6-5a).
- As an additional alternative, lender may charge 1 percent in excess of federal discount rate. § 31A-4-30a (made applicable to non-bank lenders by § 46A-3-117).

- As a final alternative, any lender may charge 18% actuarial, by virtue of a board order under §§ 47A-1-1 to 47A-1-4.

Lender may charge minimum finance charge of \$5.00 if amount loaned does not exceed \$75.00, or \$7.50 if amount loaned exceeds \$75.00. § 46A-3-104(4).

What loan fees are allowed? Regulated lender may charge 2% of the amount financed as an origination fee, points or investigation fee (5% if loan is secured by real estate), but this fee plus interest must fall within the caps set by § 46A-4-107(4). Lender may also charge:

- Official fees (defined by § 46A-1-102(28) as recording fees or non-filing insurance premiums if no more than those fees) and taxes.
- Charges for other benefits, including insurance, conferred on the consumer, if the benefits are of value, the charges are reasonable and of a type which is not for credit, and are excluded as permissible additional charges from the finance charge by rule adopted by the commissioner
- Documentary charge if reasonable in amount and applied equally to cash and credit customers.

§§ 46A-3-109(a); 46A-4-107(4).

What types of insurance are allowed, and any limits the lending statute places on charges? Insurance on life and earning capacity of any consumer obligor; property insurance on collateral; vendor’s or creditor’s single interest insurance with respect to which the insurer has no right of subrogation. § 46A-3-109(b).

Does statute prohibit all other fees besides those specifically allowed? Yes, for regulated lenders. § 46A-4-107(4).

Does statute restrict balloon payments or irregular payment schedules? For closed-end non-agricultural consumer loan of less than \$1,500, consumer has right to refinance any balloon payment without penalty, unless payment schedule was adjusted for seasonal or irregular income. § 46A-2-105. Balloon payments prohibited in loans by regulated lender unless preempted by federal law. Payment schedule

that produces negative amortization is prohibited. § 46A-4-110a(2).

Any restrictions on refinancing? Only provision relates solely to loans secured by real estate. § 46A-4-107(4).

Any rebate requirements or restrictions on prepayment penalties? Consumer may prepay in full at any time without penalty, with exception for certain loans secured by land. § 46A-3-110. Rule of 78s rebate (sum of the balances method) required upon prepayment in full if loan term is 36 months or less; otherwise, actuarial method. No rebate if less than \$1.00, and for loan not secured by real property lender may retain prepaid finance charges up to 2% of amount financed. § 46A-3-111(2) (incorporating § 47-6-5d).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignments are allowed but are revocable and limited to 25% of disposable earnings, and are prohibited altogether and void for regulated consumer lenders. §§ 46A-2-116, 46A-4-109(2). Regulated consumer lender may not take non-purchase money security interest in household goods in the possession and use of the borrower; for items other than household goods, security interest is allowed but regulated. § 46A-4-109(3).

Does statute prohibit unconscionable loan charges? Yes. § 46A-2-121.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury provision, § 46A-5-103, only criminalizes certain violations of the Consumer Credit and Protection Act, so does not provide an independent limit on the rates the Act authorizes.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report in form prescribed by commissioner relating to all regulated consumer loans made and showing in detail the actual financial condition

and the amount of the assets and liabilities of such financial institution. § 46A-4-104.

Other significant features: Loan-splitting prohibited. § 46A-4-108.

WISCONSIN

Wis. Stat. § 138.09 (Licensed Lenders).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Does not apply to banks, savings banks, savings and loan associations, trust companies, credit unions, or any of their affiliates, or to payday loans. § 138.09(1a).

Licensure requirements and implications of licensure: Must obtain license to do business under provision, charge interest authorized by provision, or assess finance charge on consumer loan over 18% per year. § 138.09(1m)(a).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Term of loan that is scheduled to be repaid in substantially equal installments at equal periodic intervals may not exceed 24 months and 15 days if loan is for \$700 or less, or 36 months and 15 days if loan is for more than \$700 but no more than \$3,000. § 138.09(7)(d)(1).

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? A loan made after October 31, 1984, is not subject to any maximum interest rate limit. § 138.09(7)(bp).

What loan fees are allowed?

- Official fees and taxes.
- Other fees approved by administrator
- Future service contracts or motor club service contracts if certain conditions are met.
- Mechanical breakdown, extended warranty or maintenance service contracts or insurance.

- The fee for filing a termination statement if loan is secured by merchandise other than a motor vehicle, a manufactured home, or a boat.

§ 138.09(7)(i) (specifying certain allowable charges and incorporating § 422.202).

What types of insurance are allowed, and any limits the lending statute places on charges? Property insurance; credit life insurance; credit accident and sickness insurance. § 138.09(7)(h).

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? Statute is silent.

Any restrictions on refinancing? Only restriction applies only to home-secured loans. § 138.09(7)(jm).

Any rebate requirements or restrictions on prepayment penalties? Borrower is entitled to prepay loan in whole or part. § 138.09(8)(c). Borrower is entitled to Rule of 78s rebate upon prepayment in full of a loan of less than \$5,000 that is precomputed, payable in substantially equal installments at approximately equal intervals, and for term of less than 37 months; otherwise, actuarial rebate, but lender may round interest rate down to nearest .025% when calculating the rebate. If combined rebate of interest and credit insurance premiums is less than \$1, no rebate need be made. §§ 138.09(7)(gm)(3), (4), 422.209.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Statute refers to real property, manufactured home, motor vehicle.

Does statute prohibit unconscionable loan charges? Statute is silent, but generally incorporates Wisconsin Consumer Act, which prohibits unconscionability. § 139.08(7)(k).

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Criminal usury law, § 943.27, applies only where lender charges a rate that is prohibited by some other law.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Annual report giving reasonable and relevant information that the division may require. § 138.09(3)(f).

Other significant features: Loan splitting prohibited. § 138.09(7)(j). Anti-evasion provision. § 138.09(9)(a).

Wis. Stat. §§ 421.101 to 427.105 (Wisconsin Consumer Act).

What types of lenders does it apply to (e.g., banks vs. non-banks)? Act applies broadly to consumer credit transactions. § 421.107. Does not apply to:

- Extensions of credit to organizations.
- Transactions in which all parties are organizations.
- Certain transactions under public utility or common carrier tariffs.
- Pawnbrokers' rates and charges.
- Most sales of insurance.
- Consumer credit transactions in which amount financed exceeds \$25,000.
- First lien real estate mortgage transactions.
- Certain securities transactions.
- Motor vehicle leases that do not meet definition of consumer lease.
- Transactions for agricultural purposes, except for debt collection restrictions and a disclosure provision.
- For some purposes, certain consumer credit transactions made, insured, or guaranteed by a government agency.

§§ 421.202(1), 421.203

Licensure requirements and implications of licensure: Registration requirement for those who make or solicit consumer credit transactions (except a person who engages in consumer credit transactions solely through honoring credit cards issued by third parties not related to such person), or who directly collect

payments from or enforce rights against customers arising from such transactions. § 426.201.

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Statute is limited to loans of \$25,000 or less. § 421.202. For closed-end loan other than one pursuant to §138.09 (see above), loan term is limited to: 25 months if total of payments is \$700 or less; 37 months if total of payments is more than \$700, but does not exceed \$1,400; or 49 months if total of payments is more than \$1,400, but does not exceed \$2,000, unless the transaction is for the acquisition of or substantial improvement to real property in which case such period shall not exceed 61 months. Special rules for certain loans for the purpose of an improvement to real property. Exceptions for certain educational loans and loans made by administrative agencies. § 422.403.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed? No limit. § 422.201(2) (bn).

What loan fees are allowed? Official fees (defined by § 421.301(26) as recording fees or non-filing insurance if no more than those fees) and taxes. § 422.202(1).

What types of insurance are allowed, and any limits the lending statute places on charges? Credit life insurance; credit accident and sickness insurance; credit unemployment insurance; other insurance if certain conditions are met; future service contracts or motor club service contracts if certain conditions are met; mechanical breakdown, extended warranty or maintenance service contracts or insurance; liability insurance on collateral; property insurance on collateral, but only if amount financed is \$800 or more and the value of the property is \$800 or more. §§ 422.202(2s), 424.301.

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? No. Provision requiring substantially

equal installments does not apply to loans made after 1984. § 422.402(6).

Any restrictions on refinancing? Minor restrictions. § 422.205.

Any rebate requirements or restrictions on prepayment penalties? Borrower may prepay in full or part at any time without penalty. § 422.208. Upon prepayment in full, borrower is entitled to Rule of 78s rebate (sum of the balances method) if amount financed was less than \$5,000 and initial term was less than 37 months; otherwise, actuarial method required, but lender may round interest rate down to nearest .025% when calculating the rebate. If the total of all rebates is less than \$1, no rebate need be made. § 422.209(1), (1m), (2).

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Act does not apply to transactions secured by a first lien on real estate. § 421.202(7). Wage assignments are prohibited unless revocable. § 422.404. For a consumer loan, lender may not take a non-purchase money security interest in: (a) clothing of the customer and the customer's dependents and the following, if they are not fixtures: dining table and chairs, refrigerator, heating stove, cooking stove, radio, beds and bedding, couch and chairs, cooking utensils and kitchenware; or (b) real property if the obligation secured is less than \$1,000. § 422.417(3).

Does statute prohibit unconscionable loan charges? Yes. § 425.107.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? § 943.27 criminalizes loan contracts with interest exceeding 20% actuarial, but only if the rate is prohibited by a law other than § 943.27.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Administrator must report annually on practices in consumer transactions, on the use of

consumer credit in the state, on problems attending the collection of debts, on the problems of persons of limited means in consumer transactions, and on the operation of the Act, including certain of the administrator's policies and procedures and recommendations for amendments to the Act. The administrator shall make available upon request a list of all persons against whom complaints have been filed and the results of all investigations completed or not being actively pursued along with a brief description of the facts of each case and the action taken in each. § 426.104.

Other significant features: Loan splitting prohibited. § 422.414.

WYOMING

[Wyo. Stat. Ann. §§ 40-14-101 to 40-14-702 \(Consumer Credit Code\).](#)

What types of lenders does it apply to (e.g., banks vs. non-banks)? Act applies broadly to all creditors extending consumer credit including consumer loans, but, except for loan originator licensing, excludes:

- Extensions of credit to government or governmental agencies or instrumentalities.
- The sale of insurance by an insurer if the premium is not financed.
- Certain transactions under public utility or common carrier tariffs.
- Ceilings on rates and charges or limits on loan maturities for credit unions.
- Agricultural credit, for most purposes.

[§ 40-14-121.](#)

Licensure requirements and implications of licensure: To make supervised loans, i.e., loans with interest rate higher than 10%, or to take assignments of and collect such loans (with 3-month grace period), must have license or be a supervised financial organization (defined by § 40-14-140(xix) as a depository institution, other than an insurer, that is subject to federal or

state supervision). § 40-14-342. Loan made in violation of licensure requirements is void. § 40-14-521(b).

Size and length of loans to which the statute applies, and any restrictions in the statute on these features: Relevant provisions apply to “consumer loans,” defined to exclude those in which the principal exceeds \$75,000, unless the debt is secured by an interest in land or a dwelling located in Wyoming, and to exclude most first mortgage loans if interest rate is 18% or less. §§ 40-14-304, 40-14-305. Closed-end supervised loan must be payable over no more than 25 months if the principal is \$300 or less, and over no more than 37 months if the principal is more than \$300 but no more than \$1,000. § 40-14-351.

Other restrictions on applicability of statute (e.g., it only applies if lender takes a mortgage on real property): Statute is silent.

What rate of interest is allowed?

- For consumer loan other than a supervised loan, 10%, but, except as provided for pawnbrokers in § 40-14-360(f) and post-dated check cashers in § 40-14-363, lender may charge a minimum loan finance charge of \$30.00. § 40-14-310(a), (f).
- For supervised loan with of \$75,000 or less, either 36% on first \$1,000 and 21% on remainder, or 21% on entire amount. Where principal exceeds \$75,000, any finance charge specified in loan agreement. § 40-14-348.

What loan fees are allowed?

- Official fees (defined by § 40-14-140(a)(xi) as recording fees or non-filing insurance premiums if no more than those fees) and taxes.
- Charges excluded from the loan finance charge by the federal Consumer Credit Protection Act or by rule adopted by the administrator.

[§ 40-14-311.](#)

What types of insurance are allowed, and any limits the lending statute places on charges? Credit insurance providing life, accident, or health coverage; property and liability insurance on property related to the credit

transaction. §§ 40-14-311(b), 40-14-450, 40-14-452. Creditor may charge for property insurance only if amount financed is \$300 or more and the value of the property is \$300.00 or more. § 40-14-450.

Does statute prohibit all other fees besides those specifically allowed? Statute is silent.

Does statute restrict balloon payments or irregular payment schedules? For closed-end consumer loan, debtor has right to refinance any balloon payment on terms at least as favorable as original terms, as long as creditor is still offering that type of credit and the debtor is creditworthy, except where payment schedule was adjusted for seasonal or irregular income. § 40-14-333. Closed-end supervised loans of \$1,000 or less must be payable in substantially equal installments at equal periodic intervals except to accommodate debtor's seasonal or irregular income. § 40-14-351.

Any restrictions on refinancing? Statute is silent.

Any rebate requirements or restrictions on prepayment penalties? Debtor may prepay in full at any time without penalty. § 40-14-318. Rule of 78s rebate if original loan term did not exceed 61 monthly installments; otherwise, actuarial. No rebate required if less than \$1, and lender may retain minimum finance charge of \$30. § 40-14-319.

What security interests (or postdated checks or ACH authorizations) are allowed or prohibited? Wage assignments prohibited and unenforceable for consumer loans, but borrower may authorize deductions from earnings if the authorization is revocable, and lender

may take an assignment of commissions or accounts receivable payable to the debtor for services rendered. § 410-14-334. For a supervised loan where principal is \$1,000 or less, security interest in land is prohibited and void. § 40-14-350.

Does statute prohibit unconscionable loan charges? Yes. § 40-14-508.

Must lender underwrite or evaluate borrower's ability to repay? Statute is silent.

If state has a criminal usury law, is lending under this statute exempt from it? Not applicable.

Reporting requirements, including detail about what must be reported and whether there are any requirements that the state agency review or take other steps regarding the reports: Administrator must make annual report on the operation of his office, on the use of consumer credit in the state, and on the problems of persons of small means obtaining credit from persons regularly engaged in extending sales or loan credit. The report shall include a description of certain of the administrator's procedures and policies, the number and percentages of offices which are periodically investigated or examined, a statement of the types of consumer credit problems of creditors and debtors which have come to his attention and their disposition, and the activities of his office. Administrator may require reports from lenders. § 40-14-604(e), (h), (j).

Other significant features: Loan splitting prohibited. § 40-14-349.