

Alaska Statutes

§ 06.20.010. License required

(a) A person may not engage in the business of making loans of money, credit, goods, or things in action in the amount or of the value of \$25,000 or less and charge, contract for, or receive on the loan a greater rate of interest, discount, or consideration than the lender would be permitted by law to charge if the person were not a licensee under this chapter, except as authorized by this chapter and without first obtaining a license from the department.

(b) A person who is doing business under and as permitted by any law of the state or of the United States relating to banks, savings banks, trust companies, building and loan associations, or credit unions and who is exempt from the licensing requirement in (a) of this section shall comply with all other provisions of this chapter.

Credits

SLA 1955, ch. 73, § 2; SLA 1976, ch. 218, § 23; SLA 1978, ch. 71, § 1; SLA 1980, ch. 63, § 1; SLA 2002, ch. 75, § 49.

§ 06.20.020. Application for license; disclosure for child support purposes

(a) Application for a license shall be in writing under oath, and in the form prescribed by the department, and must contain the name and the residence and business address of the applicant, the district and municipality with street and number, if any, where the business is to be conducted and other information as the department may require. If the applicant is a copartnership or association, the application must contain the residence and business address of each member; if the applicant is a corporation, the application must contain the residence and business address of each officer and director.

(b) In addition to the requirements in (a) of this section, if a natural person makes application for a license, the applicant shall supply the applicant's social security number to the department. Upon request, the department shall provide the social security number to the child support services agency created in AS 25.27.010, or the child support enforcement agency of another state, for child support purposes authorized under law.

Credits

SLA 1955, ch. 73, § 3; SLA 1997, ch. 87, § 3.

§ 06.20.030. Fees and charges

(a) Investigation expenses incurred by the department in processing an application for licensure shall be charged to and paid by the applicant under AS 06.01.010. At the time of submitting the application to the commissioner, the applicant shall pay to the department \$1,000 in partial payment of those investigation expenses incurred by the department.

(b) An applicant shall pay to the department at the time of submitting an application a sum, in addition to that specified in (a) of this section, of \$500 for a single office license, or \$2,000 for a multiple office license as an annual license fee for a period terminating on the last day of the current calendar year.

(c) The license fee required by this section is in place of the fee under AS 43.70 (Alaska Business License Act).

Credits

SLA 1955, ch. 73, § 3; SLA 1978, ch. 169, § 44; SLA 1996, ch. 134, §§ 1, 2.

§ 06.20.040. Liquid assets required

An applicant shall prove, in form satisfactory to the department, that the applicant has available for the operation of the business at the location specified in the application, liquid assets of at least \$25,000, or, in the case of a multiple office license, that the equivalent amount is available to each office from a central account maintained by the applicant.

Credits

SLA 1955, ch. 73, § 3; SLA 1978, ch. 71, § 2; SLA 1996, ch. 134, § 3

§ 06.20.050. Bond

The applicant shall file with the application a bond to be approved by the department in which the applicant shall be the obligor, in the sum of \$25,000 with one or more sureties. Only one bond is required for an application for a multiple office license. The bond shall be for the use of the state and any person who may have a cause of action against the obligor under this chapter. The bond must state that the obligor will faithfully conform to and abide by the provisions of this chapter and of all regulations lawfully adopted by the department, and will pay to the state and to any person all money that may become due or owing to the state or to the person from the applicant under this chapter.

Credits

SLA 1955, ch. 73, § 4; SLA 1978, ch. 71, § 3; SLA 1996, ch. 134, § 4.

§ 06.20.060. Issuance of license

Upon the filing of the application, the payment of the fees and the approval of the bond, the department shall issue a license to the applicant if it finds upon investigation that (1) the financial responsibility, experience, character, and general fitness of the applicant and of its members if the applicant is a copartnership or association, and of its officers and directors if the applicant is a corporation, are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter, and (2) allowing the applicant to engage in business at the location will provide accessibility and

convenience for borrowers of money, and (3) the applicant has available for the operation of the business at the specific location liquid assets of at least \$25,000, or, in the case of a multiple office license, that the equivalent amount is available to each office from a central account maintained by the applicant. The foregoing facts are conditions precedent to the issuance of a license under this chapter. The license permits the applicant to make loans in accordance with this chapter at the location or locations specified in the application. The license remains in full force and effect until it is surrendered by the licensee or revoked or suspended. If the department denies the application, it shall notify the applicant of the denial, bill the applicant for any outstanding expenses incurred by the department during the investigation and return the bond if those expenses have been paid. The department shall approve or deny every application for license within 60 days from the filing of the application with the fees and the approved bond. If the application is denied, the department shall, within 20 days thereafter, serve upon the applicant a copy of the written decision and findings. The decision and findings may be reviewed in the manner provided in AS 44.62.560 and 44.62.570 (Administrative Procedure Act).

Credits

SLA 1955, ch. 73, § 5; SLA 1978, ch. 71, § 4; SLA 1978, ch. 169, § 45; SLA 1996, ch. 134, § 5.

§ 06.20.070. Form, posting, and transfer of license

The license must state the address at which the business is to be conducted and the full name of the licensee. If the licensee is a copartnership or association, the license must state the names of its members, and if a corporation, the date and place of its incorporation. The license shall be conspicuously posted in the place of business of the licensee. The license is not transferable or assignable.

Credits

SLA 1955, ch. 73, § 6.

§ 06.20.080. Additional bond

If at any time the department finds that the bond is unsatisfactory for any reason, it may require the licensee to file, within 10 days after the receipt of a written demand therefor, an additional bond complying with the provisions of AS 06.20.050.

Credits

SLA 1955, ch. 73, § 7.

§ 06.20.090. Places of business

(a) A licensee may maintain only one place of business under a single office license, or up to 10 places of business under each multiple office license. The department may issue more than one license to the same licensee upon compliance with the provisions of this chapter governing the original issuance of a license.

(b) If a licensee changes the place of business to another location within the same municipality, the licensee shall give written notice to the department in advance. Upon approval, the department shall issue an amended license for the new location. A licensee may not change the place of business to a location outside the municipality in which the licensee is authorized to do business.

Credits

SLA 1955, ch. 73, § 8; SLA 1978, ch. 71, § 5; SLA 1996, ch. 134, § 6.

§ 06.20.100. New bond

On or before December 20 of each year, each licensee shall file a new bond that complies with AS 06.20.050.

Credits

SLA 1955, ch. 73, § 9; SLA 1978, ch. 169, § 46.

§ 06.20.110. Grounds for revocation of license

The department shall, under the Administrative Procedure Act (AS 44.62), revoke any license issued under this chapter if it finds that

- (1) the licensee has failed to pay the annual license fee or to maintain the required bond in effect or has failed to comply with any lawful demand, ruling, or requirement of the department made under and within the authority of this chapter;
- (2) the licensee has violated a provision of this chapter or a regulation lawfully adopted by the department under and within the authority of this chapter; or
- (3) any fact or condition exists that, if it had existed at the time of the original application for the license, clearly would have constituted ground for denial of the issuance of the license.

Credits

SLA 1955, ch. 73, § 10.

§ 06.20.120. Revocation or suspension where licensee has branches

Where a licensee holds more than one license, the department may revoke or suspend any license for which grounds for the action exist.

Credits

SLA 1955, ch. 73, § 10.

§ 06.20.130. Surrender

A licensee may surrender a license by delivering written notice of the surrender to the department. The surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender.

Credits

SLA 1955, ch. 73, § 10.

§ 06.20.140. Effect of revocation, suspension, or surrender

A revocation, suspension, or surrender of a license does not impair or affect the legally enforceable obligation of any pre-existing contract between the licensee and any borrower.

Credits

SLA 1955, ch. 73, § 10.

§ 06.20.150. Status of license; reinstatement

Every license remains in force and effect until it is surrendered, revoked, or suspended as provided in this chapter. The department may reinstate, suspend licenses, or issue new licenses to a licensee whose license has been revoked if no fact or condition exists that clearly would have constituted ground for denial of the issuance of the license by the department.

Credits

SLA 1955, ch. 73, § 10.

§ 06.20.160. Inspection and examination of licensees

For the purpose of discovering violations of this chapter or securing information required by it under this chapter, the department or its duly designated representative may investigate at any time the loans and business and examine the books, accounts, records, and files used in the business, of every licensee and of every person engaging in the business described in AS 06.20.010, whether the person acts or claims to act as principal or agent, or under or without the authority of this chapter. For that purpose the department and its duly designated representative have free access to the office and place of business, books, accounts, papers, records, files, safes, and vaults of all such persons. The department and all persons duly designated by it may require the attendance and examination under oath of all persons whose testimony it may require relative to the business.

Credits

SLA 1955, ch. 73, § 11(b).

§ 06.20.170. Periodic examination

The department shall examine the affairs, business, office, and records of each licensee at least once every 18 months. Examination fees are to be charged to and paid by the licensee in

accordance with AS 06.01.010. The department may maintain an action for the recovery of the costs in any court of competent jurisdiction, with recourse to the bonds referred to in AS 06.20.050 and 06.20.080.

Credits

SLA 1955, ch. 73, § 11(c); SLA 1978, ch. 169, § 47; SLA 2003, ch. 27, § 1.

§ 06.20.180. Books and records of licensees

Each licensee shall keep and use in the licensed premises those books, accounts, and records that will enable the department to determine whether the licensee is complying with this chapter and with the regulations lawfully adopted by the department under this chapter. The maintenance of separate books and records for another business authorized by the department under AS 06.20.210 is not required. The method of tracking and numbering the loans shall be determined by the licensee, as long as the system enables the department to perform the department's obligations under this title. The licensee shall preserve the books, accounts, and records, including cards used in the card system, if any, for two years after making the final entry on any recorded loan.

Credits

SLA 1955, ch. 73, § 12; SLA 1996, ch. 134, § 7.

§ 06.20.190. Annual reports of licensees

Each licensee shall, on or before March 15 of each year, file a report with the department containing information as the department may reasonably require concerning the business and operations during the preceding calendar year of each licensed place of business conducted by the licensee inside the state. The report shall be made under oath and shall be in the form prescribed by the department, and shall be kept available as a public record.

Credits

SLA 1955, ch. 73, §§ 11(a), 12.

§ 06.20.200. Advertising of misleading statements prohibited

(a) A person may not advertise, print, display, publish, distribute, or broadcast or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action in the amount or of the value of \$25,000 or less, which is false, misleading, or deceptive. The department may order a licensee to desist from conduct that it finds to be in violation of this section.

(b) The department may require rates of charge stated by a licensee to be stated fully and clearly in the manner considered necessary to prevent misunderstanding by prospective borrowers.

Credits

SLA 1955, ch. 73, § 13; SLA 1978, ch. 71, § 6; SLA 1980, ch. 63, § 2.

§ 06.20.210. Use of premises restricted

A licensee may not conduct the business of making loans under this chapter within an office, room, or place of business in which another business is solicited or engaged in, or in association or conjunction therewith, except as may be authorized in writing by the department upon its finding that the character of the other business is such that the granting of authority would not facilitate evasions of this chapter or the regulations lawfully adopted under this chapter.

Credits

SLA 1955, ch. 73, § 14.

§ 06.20.220. Transactions limited to licensed premises

A licensee may not transact business or make any loan under this chapter under any name or at any place of business other than that named in the license.

Credits

SLA 1955, ch. 73, § 15.

§ 06.20.230. Maximum interest permitted

(a) A licensee may lend any sum of money not exceeding \$25,000 and may charge, contract for, and receive on the loan interest at a rate not exceeding three percent a month on that part of the unpaid principal balance of a loan not in excess of \$850; two percent a month on the unpaid principal balance exceeding \$850 but not exceeding \$10,000; and at a rate agreed by contract on the remainder of any unpaid principal balance exceeding \$10,000 but not exceeding \$25,000.

(b) Notwithstanding the provisions of (a) of this section, a licensee who makes open-end loans under this chapter may charge, contract for, and receive interest at a rate not exceeding three percent a month on that part of the unpaid principal balance of a loan not in excess of \$850; two percent a month on the unpaid principal balance exceeding \$850 but not exceeding \$10,000; and at a rate agreed by contract on the remainder of any unpaid principal balance exceeding \$10,000 but not exceeding \$25,000.

(c) Interest on loans under (b) of this section shall be computed according to the actuarial method on the entire unpaid principal balance as determined under [AS 06.20.285\(b\)](#).

Credits

SLA 1955, ch. 73, § 16(a); SLA 1969, ch. 94, § 5; SLA 1978, ch. 71, § 7; SLA 1979, ch. 84, § 2; SLA 1980, ch. 63, § 3; SLA 1982, ch. 99, §§ 1, 2.

§ 06.20.240. Loans for purpose of obtaining higher interest

A licensee may not induce or permit a person, or a husband and wife jointly or severally, to split up or divide a loan or to become obligated, directly or contingently or both, under more than one loan contract at the same time, for the purpose or with the result of obtaining a higher rate of

interest than would otherwise be permitted by AS 06.20.230. However, a licensee may enter into new or different loan transactions with the borrower or the borrower's spouse at a different time so long as the purpose of the additional transaction does not violate this section.

Credits

SLA 1955, ch. 73, § 16(b); SLA 1996, ch. 134, § 8.

§ 06.20.250. Payments and interest

(a) Interest may not be paid, deducted, or received in advance. Except for open-end loans made under AS 06.20.285, interest shall be computed and paid only on unpaid principal balances and may not be compounded; however, if part or all of the consideration for a loan contract is the unpaid principal balance of a prior loan, the principal amount payable under the loan contract may include any unpaid charges on the prior loan that have accrued within 60 days before the making of the loan contract. The maximum interest permitted on loans made under this chapter shall be computed on the basis of the number of days actually elapsed. For the purpose of these computations a month is any period of 30 consecutive days.

(b) A licensee may compute interest for a loan as provided in this chapter on an interest-bearing or actuarial basis either at the rates stated in AS 06.20.230 or at the single annual percentage rate that would earn the same finance charge as the rates stated in AS 06.20.230 when the debt is paid according to the agreed terms and the calculations made according to the actuarial method.

(c) Except for open-end loans under AS 06.20.285, a licensee may not enter into a contract for a 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 ½ months |
| Over \$1,000 to \$2,500..... | 48 and ½ months |
| Over \$2,500 to \$5,000..... | 60 and ½ months |
| Over \$5,000 to \$25,000 | as agreed to by the parties |

(d) Loan contracts must provide for substantially equal payments, and the payments must be due at least once a month, with the first payment beginning not later than 45 days from the date the loan is made.

(e) If the irregular payment is confirmed in writing by the borrower, and the method of repayment is consistent with the maximum term and annual interest rate provided in this chapter, and if a borrower demonstrates sufficient seasonal or extraordinary income to support repayment of a loan, the loan contract may provide for irregular payments and first payment extensions greater than 45 days from the date the loan is made.

Credits

SLA 1955, ch. 73, § 16(c); SLA 1978, ch. 71, § 8; SLA 1979, ch. 84, §§ 3, 4; SLA 1980, ch. 63, § 4; SLA 1996, ch. 134, § 9; SLA 2000, ch. 21, § 8.

§ 06.20.260. Charges prohibited

(a) A further or other charge or amount for an examination, service, brokerage commission, expense, fee, bonus, or other thing may not be directly or indirectly charged, contracted for, or received except

(1) lawful fees actually paid out by the licensee to a public officer for filing, recording, or releasing any instrument securing the loan, or premiums payable for insurance in lieu of perfecting a security interest if the premiums do not exceed the fees that would otherwise normally be incurred for perfecting, filing, recording, and releasing the security interest, or for transferring certificate of title to a motor vehicle securing the lien or noting a lien on that certificate;

(2) premiums actually paid out for insurance on any one or combination of the following: pledged property of the borrower, or consumer credit insurance; in this paragraph, “consumer credit insurance” has the meaning given in AS 21.57.160;

(3) taxable costs and expenses to which the licensee becomes entitled under general law in any court proceedings to collect a loan or to realize on the security after default;

(4) for loans of \$10,000 or less that are secured by an interest in real estate, reasonable costs and fees paid by a licensee for appraisals, surveys, and title insurance or reports;

(5) 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;

(6) a late payment fee of not more than 10 percent of the payment that is due or \$25, whichever is less;

(7) a fee for dishonored checks not to exceed \$25 for each dishonored check;

(8) reasonable attorney fees, actual expenses, and costs incurred in connection with the collection of a delinquent debt or a foreclosure if the collection or foreclosure is referred to an attorney who is not a salaried employee of the licensee and the balance then owing on the debt exceeds \$5,000;

(9) actual expenses and costs incurred in connection with a repossession.

(b) A licensee may collect the charges permitted under (a) of this section at the time when the loan is made or at any time thereafter. If any interest, consideration, or charges in excess of those permitted by AS 06.20.230 are charged, contracted for, or received, except as the result of an accidental and bona fide error in computation, the contract of loan is modified as follows: all interest, consideration, or charges involved are voided and a like amount credited to the debtor on the principal of the loan. If the unpaid principal is less than the total of the interest, consideration, and charges, the difference shall be refunded by the lender to the borrower.

Credits

SLA 1955, ch. 73, § 16(d); SLA 1978, ch. 71, §§ 9, 16; SLA 1979, ch. 84, § 5; SLA 1982, ch. 99, § 3; SLA 1990, ch. 39, § 1; SLA 1995, ch. 62, § 1; SLA 1996, ch. 134, § 10.

§ 06.20.270. Requirements for making and payment of loans

Except as provided in AS 06.20.285 for open-end loans, every licensee shall

- (1) deliver to the borrower at the time a loan is made a statement containing a printed copy of AS 06.20.230 - 06.20.260 in the English language and showing in clear and distinct terms the amount and date of the loan and its maturity, the nature of the security, if any, for the loan, the name and address of the borrower and the licensee, and the agreed rate of charge;
- (2) give to the borrower a plain and complete receipt for all payments made on account of the loan at the time payments are made, specifying the amount applied to interest and the amount, if any, applied to principal, and stating the unpaid principal balance, if any, of the loan;
- (3) permit payment to be made in advance in any amount on a contract of loan at any time, but the licensee may apply the advance payment first to all interest in full at the agreed rate up to the date of payment;
- (4) upon repayment of the loan in full, mark indelibly every obligation and security signed by the borrower with the word "Paid" or "Cancelled," and release any mortgage, restore any pledge, cancel and return any note, and cancel and return any assignment given to the licensee by the borrower;
- (5) display prominently in each licensed place of business a full and accurate schedule, approved by the department, of the charges to be made and the method of computing them.

Credits

SLA 1955, ch. 73, § 17; SLA 1979, ch. 84, § 6.

§ 06.20.280. Maximum charge by licensee

A licensee may not directly or indirectly charge, contract for, or receive any interest, discount, or consideration greater than that which the licensee would be permitted by law to charge if the person were not a licensee under this chapter, upon the loan, use or forbearance of money, goods, or things in action, or upon the loan, use, or sale of credit, of the amount or value of more than \$25,000.

This section applies to any licensee who permits any person, as borrower or endorser, guarantor, or surety for any borrower, or otherwise, to owe directly or contingently or both to the licensee at any time a sum of more than \$25,000 on principal.

Credits

SLA 1955, ch. 73, § 18; SLA 1978, ch. 71, § 10; SLA 1980, ch. 63, § 5.

§ 06.20.285. Open-end loans

(a) A licensee may make open-end loans not exceeding an aggregate total of \$25,000 and may contract for and receive interest on open-end loans as provided in AS 06.20.230, and for other charges permitted under this chapter. Interest on open-end loans may be computed daily or monthly on the unpaid principal balance or the average unpaid principal balance if the interest charged as a result of these computations does not exceed the rates stated in AS 06.20.230 when the interest is computed according to the interest-bearing or actuarial method.

(b) The billing cycle for open-end loans is monthly, and the unpaid principal balance on a certain day is computed by adding to the balance unpaid on the beginning of that day, or the average unpaid daily balance for that billing cycle, all advances and other permissible amounts charged to the borrower and deducting all payments and other credits made or received that day.

(c) A licensee may secure the payment of an open-end loan in the same manner as other loans under this chapter may be secured.

(d) The licensee shall deliver a copy of the open-end loan agreement to the borrower at the time the open-end loan account is opened. The open-end loan agreement must contain the name and address of the licensee and the borrower and must contain disclosures of finance charges and agreed terms as may be required by regulations adopted by the department and the Board of Governors of the Federal Reserve System.

(e) At the end of each billing cycle in which there is an outstanding balance in the account for which a finance charge is imposed, the licensee shall deliver to the borrower a statement in the form required by regulations adopted by the department and the Board of Governors of the Federal Reserve System. This subsection does not apply to accounts that the licensee considers uncollectible or for which an action to collect past due amounts has been filed.

Credits

SLA 1979, ch. 84, § 1; SLA 1980, ch. 63, § 6.

§ 06.20.287. Insurance on open-end loans

(a) A licensee may obtain consumer credit, credit loss of income, and property insurance on open-end loans under this chapter. The consumer credit insurance obtained by a licensee shall satisfy the requirements of AS 21.57. The property insurance obtained by a licensee shall satisfy the requirements of AS 21.39 and AS 21.42. The licensee shall comply with AS 21.36.160 and 21.36.319 during all transactions with borrowers involving consumer credit, credit loss of income,

and property insurance.

(b) The licensee shall calculate the charge for credit life, credit loss of income, or disability insurance in each billing cycle by adding to the unpaid balance in the borrower's account the current monthly premium rate for the coverage required at the rate set under AS 21.57, using the method specified in the loan agreement for determining the unpaid balance.

(c) A licensee may not cancel credit life, credit loss of income, or disability insurance obtained for an open-end loan if the borrower is delinquent in paying the monthly installments unless an installment is delinquent for 90 days or longer. The licensee shall advance to the insurer amounts necessary to keep the policy in force until the 90-day delinquency period has elapsed, and the borrower's account may be charged for the amounts advanced to the insurer.

Credits

SLA 1979, ch. 84, § 1; SLA 1995, ch. 62, § 2; SLA 1996, ch. 134, § 11.

§ 06.20.290. Purchase of wages or other compensation for \$25,000 or less

For purposes of this chapter, the payment of \$25,000 or less in money, credit, goods, or things in action, as consideration for the sale or assignment of, or order for, the payment of wages, salary, commissions, or other compensation for services, whether earned or to be earned, is considered a loan, and the difference between the payment and the amount of the compensation sold or assigned is considered interest or a charge upon the loan from the date of payment to the date the compensation is payable. Such a transaction is governed by this chapter.

Credits

SLA 1955, ch. 73, § 19; SLA 1978, ch. 71, § 11; SLA 1980, ch. 63, § 7.

§ 06.20.300. Maximum charges by nonlicensee on loans

(a) Except as authorized in this chapter, a person may not directly or indirectly charge, contract for, or receive any interest, discount, or consideration greater than that which the person would be permitted by law to charge if the person were not a licensee, upon the loan, use, or forbearance of money, goods, or things in action, or upon the loan, use, or sale of credit of the amount or value of \$25,000 or less.

(b) The provisions of (a) of this section apply to any person who, by any device, subterfuge, or pretense whatsoever charges, contracts for, or receives greater interest, consideration, or charges than are authorized by this chapter.

Credits

SLA 1955, ch. 73, § 20(a), (b); SLA 1978, ch. 71, § 12; SLA 1980, ch. 63, § 8.

§ 06.20.310. Effect of illegal interest rate

A loan of the amount or value of \$25,000 or less for which a greater rate of interest, consideration, or charge than is permitted by this chapter has been charged, contracted for, or received, wherever made, may not be enforced in the state, and every person participating in such a loan in the state is subject to this chapter. This section does not apply to loans legally made in a state or territory of the United States that has in effect a regulatory small loan law similar in principle to this chapter.

Credits

SLA 1955, ch. 73, § 20(c); SLA 1978, ch. 71, § 13; SLA 1980, ch. 63, § 9.

§ 06.20.320. Civil penalties

(a) A licensee or lender who, in the making or collection of a loan contract, does any act that violates AS 06.20.230 - 06.20.260 or 06.20.280 - 06.20.310 shall at the option of the commissioner reimburse the portion of the interest and charges in excess of that provided in those sections, or, in the case of repeated violations of those sections by the licensee, the commissioner may, upon a hearing, require the licensee to adjust the loan contract interest or other charges down to the contract interest limitation specified in AS 45.45.010(a).

(b) Repealed.

(c) If a penalty for failure to comply with financing disclosure requirements under regulations adopted by the Board of Governors of the Federal Reserve System is imposed by the federal authorities, the department may not impose a civil penalty under this section for the same act or omission.

Credits

SLA 1955, ch. 73, § 21; SLA 1978, ch. 71, § 14; SLA 1979, ch. 84, § 7; SLA 1993, ch. 26, § 102.

§ 06.20.330. Exemptions

(a) Repealed.

(b) This chapter does not apply to individual loans by

(1) pawnbrokers where separate and individual loans do not exceed \$750; in this paragraph, “pawnbroker” means a person who is regulated under AS 08.76.100--08.76.590; or

(2) loan shops where separate and individual loans do not exceed \$500.

Credits

SLA 1955, ch. 73, § 22; SLA 1981, ch. 49, § 1; SLA 1993, ch. 26, § 88; SLA 2002, ch. 75, § 55. Amended by SLA 2010, ch. 49, § 1, eff. July 1, 2011.

§ 06.20.340. Regulations, rulings, demands, and findings; service of notice

(a) The department may adopt general regulations and make specific rulings, demands, and findings consistent with this chapter as may be necessary for the proper conduct of business and the enforcement of this chapter.

(b) All notices required or authorized by this chapter to be given or served by the department may be given or served by registered mail and service is considered complete when a true copy is deposited in the post office properly addressed and stamped.

Credits

SLA 1955, ch. 73, § 23.

§ 06.20.350. Amendment or repeal of chapter

This chapter may be modified, amended, or repealed so as to effect a cancellation or alteration of a license or right of a licensee hereunder, but the cancellation or alteration may not impair or affect the obligation of a pre-existing lawful contract between a licensee and a borrower.

Credits

SLA 1955, ch. 73, § 24.

§ 06.20.900. Definitions

In this chapter, unless the context otherwise requires,

- (1) “commissioner” means the commissioner of commerce, community, and economic development or a designee of the commissioner;
- (2) “department” means the Department of Commerce, Community, and Economic Development;
- (3) “open-end loan” means a loan made by a licensee under this chapter under an agreement between the licensee and a borrower which provides that
 - (A) the borrower may obtain advances of money from the licensee from time to time or the licensee may advance money on behalf of the borrower from time to time as directed by the borrower;
 - (B) the amount of each advance and interest and charges will be added to the borrower’s open-end loan account and payments and other credits are deducted from that account;
 - (C) interest will be computed on the unpaid principal balance or the average unpaid principal balance of the open-end loan account;
 - (D) the borrower may pay all or any part of the unpaid principal balance of the borrower’s

open-end loan account or, if the account is not in default, in monthly installments of fixed amounts as provided in the loan agreement; and

(E) the agreement covers open-end loans under this chapter.

Credits

SLA 1978, ch. 71, § 15; SLA 1979, ch. 84, § 8.

§ 06.20.920. Short title

This chapter may be cited as the Alaska Small Loans Act.