

CHAPTER 133—H. F. No. 691

An act relating to industrial loan and thrift companies; amending Minnesota Statutes 1949, Section 53.04.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1949, Section 53.04, is amended to read:

53.04 Special powers. Industrial loan and thrift companies, in addition to the general and usual powers incidental to ordinary corporations in this state, which are not specifically restricted in this chapter, shall have the following special powers, which powers must be set forth in their articles of incorporation or amendments thereto:

(1) The right to discount or purchase notes, bills of exchange, acceptances or other choses in action;

(2) The right to loan money upon the security of co-makers, personal chattels or other property, exclusive of real estate, for a period not to exceed 24 months; to deduct in advance interest on such loans for the period of such loans at the rate of not in excess of eight percent discount per annum; to require as a condition to the making of such a loan that the borrower purchase and pledge with the company, as security for the loan, a certificate of indebtedness of the company in the same amount as the loan secured thereby, providing for payments in equal weekly, bi-weekly, or monthly instalments, with or without interest, extending over substantially the period of the loan, payments thereon not to be construed as payments on the loan secured thereby; to charge for a loan exceeding \$50 made pursuant to this subdivision, \$1 for each \$50, or fraction thereof, loaned, for expenses, including any examination or investigation of the character and circumstances of the borrower, co-maker or security, and drawing and taking the acknowledgement of necessary papers, or other expenses incurred in making the loan; provided, that no fee collected hereunder shall exceed \$10; and, provided, that for a loan exceeding \$500, one percent additional of the amount loaned in excess of \$500 may be charged for these expenses, not exceeding a total fee of \$15; if any such loan made pursuant to this clause is \$50 or less, the charge shall not be more than \$1; and no such charge shall be collected unless a loan shall have been made. The borrower may repay the entire balance of such loan at any time before maturity and upon such prepayment the industrial loan and thrift company shall forthwith refund to the borrower a portion of the interest or discount. The amount of such refund shall represent at least as great a proportion of the total

interest or discount as the sum of the periodical time balances after the date of prepayment bears to the sum of all the periodical time balances under the schedule of payments in the original loan contract.

For the purpose of calculating such refunds, the commissioner of banks shall furnish a chart giving effect hereto for the use of such companies, which chart shall be followed in calculating refunds;

(3) To impose a handling charge of five cents for each default in the payment of \$1, or fraction thereof, at the time any periodical installment on a certificate of indebtedness assigned as collateral security for the payment of a loan made pursuant to the foregoing provisions becomes due; provided, that this handling charge shall not be cumulative; that the aggregate of the handling charges collected in connection with any such loan of \$50, or less, shall not exceed 50 cents, and that the aggregate of handling charges collected in connection with any such loan of more than \$50 shall not exceed one per cent of the loan and shall in no event exceed \$5;

(4) The right, with the consent of the department of commerce, to sell and issue for investment or to be pledged as security for a loan made contemporaneously therewith or otherwise, certificates of indebtedness, under any descriptive name, which may bear such interest, if any, as their terms may provide, and which may require the payment to the company of such amounts, from time to time, as their terms may provide, and permit the withdrawal of amounts paid upon the same, in whole or in part, from time to time, and the credit of amounts thereon upon such conditions as may be set forth therein; and no such certificate of indebtedness shall have a surrender value which is less than the total amount paid to the company therefor; and

(5) Upon the maturity of a note, the borrower may, at his option, surrender the certificate of indebtedness pledged to secure the same, in which event the amounts, if any, paid on the certificate of indebtedness, less such handling charges as are authorized by this chapter, shall be applied to reduce the balance owing on the note.

Approved March 20, 1953.

Chapter 134—H. F. No. 804

An act relating to the powers of the State Board of Health,