

the state prison or the superintendent of the state reformatory for the delivery of such convict or convicts, in a form prescribed by the state auditor.

Subd. 2. The conveyance of prisoners to and from court in connection with post conviction, habeas corpus, or intrastate mandatory disposition of detainers proceedings shall be by the sheriff of the county in which the proceedings are to be held and at the expense of the state as provided in subdivision 1.

Approved June 7, 1971.

CHAPTER 906—H.F.No.1650

An act relating to industrial loan and thrift companies; revising the special powers granted to such companies; revising the provisions relating to insurance in connection with loans; amending Minnesota Statutes 1969, Section 53.04 and 53.051.

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

Section 1. Minnesota Statutes 1969, Section 53.04, is amended to read:

53.04 LOAN AND THRIFT COMPANIES; SPECIAL POWERS; LOAN INSURANCE. 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 36 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 installments, with or without interest, extending over substantially the period of

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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 acknowledgment of necessary papers, filing fees, 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; provided, that no such charge shall be made on that portion of a loan in excess of \$2,000 and no such charge shall be collected unless a loan shall have been made. The full amount of the investigation charge authorized by this section shall be fully earned at the time a loan is made without regard to the expenses incurred and shall not be deemed interest, provided, however, if a loan for which an investigation charge was made is renewed within twelve months from the date of the loan, then one-twelfth of such investigation charge shall be deemed earned for each month or portion thereof from the date of the loan to the date of renewal, and the balance thereof shall be refunded to the borrower. A loan shall be deemed to be renewed at the time the loan is paid in full if any part of such payment is made out of the proceeds of another loan from the same lender. 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 past due for ten days or more ; 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 of the loan and shall in no event may be collected only once on an installment however long it remains in default; and that the handling charge on any installment shall not exceed \$5 . Such handling~~

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charge may be collected when due or at any time thereafter ; for the purpose of this paragraph, payments shall be applied first to the immediately preceding installment due and then to prior delinquent installments.

(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.

Sec. 2. Minnesota Statutes 1969, Section 53.051, is amended to read:

53.051 INSURANCE IN CONNECTION WITH LOANS. Any policy or certificate of insurance procured by a licensee in connection with any loan or transaction subject to Minnesota Statutes, Chapter 53, for which the premium has been paid by the obligor out of the proceeds of the loan or transaction, shall contain the amount and description of the coverage, all of the terms and conditions, the period of time for which it is written, the premium therefor, and shall be delivered to the obligor within a reasonable time. No policy or certificate providing life insurance or accident and health benefits shall be written for a term extending more than 15 days beyond the maturity of the related obligation and shall not provide benefits greater than the initial amount of such obligation.

If the coverage provides credit accident and health ~~benefits insurance~~, the policy or certificate shall contain a provision that if the insured obligor is disabled, as defined in the policy, for a period of more than 14 days, benefits shall commence as of the first day of disability.

In case there are multiple obligors under a transaction subject to such chapter, no policy or certificate of insurance providing life insurance or accident and health benefits shall be procured by or through a licensee upon more than one of such obligors.

If an obligation is prepaid in full by cash, a new loan, refinancing, or otherwise, any policy or certificate of insurance providing life

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insurance or accident and health benefits procured by or through a licensee and for which the premium has been paid by the obligor out of the proceeds of the obligation shall be cancelled upon surrender of the policy, certificate or other evidence and the unearned premium refunded unless the obligor shall request in writing that such insurance be continued in force, and a copy of such written request shall be delivered to the insured at time of signature.

No licensee shall decline to accept a policy of insurance furnished by the borrower from another source.

Sec. 3. This act shall take effect on July 1, 1971.

Approved June 7, 1971.

CHAPTER 907—H.F.No.1653

[Coded]

An act relating to workmen's compensation; appropriating money for the state compensation revolving fund; amending Minnesota Statutes 1969, Section 176.611, by adding a subdivision.

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

Section 1. Minnesota Statutes 1969, Section 176.611, is amended by adding a subdivision to read:

Subd. 6. WORKMEN'S COMPENSATION; REVOLVING FUND; ADDITIONAL APPROPRIATION. In addition to the moneys heretofore appropriated the sum of \$500,000 is appropriated from the general fund in the state treasury to the state compensation revolving fund for the same uses and purposes as set forth in section 176.611. This sum together with \$1,535,000 heretofore appropriated totals \$2,035,000 and constitutes the revolving fund.

Approved June 7, 1971.

CHAPTER 908—H.F.No.1667

[Coded]

An act relating to crimes and criminals; providing for transportation of certain persons to place of arrest.

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