

Sec. 2. Subdivision 1. The governor, upon the recommendation of the commissioner of administration, may transfer by quitclaim deed in a form the attorney general approves, in the name of the state of Minnesota, to the First Lutheran Church of St. Peter, Minnesota, a tract of land for cemetery purposes.

Subd. 2. The First Lutheran Church of St. Peter, Minnesota, shall, at its expense, have the land surveyed. The legal description shall be submitted to the commissioner of administration for approval. Upon such approval, the commissioner of administration shall have the land appraised by not less than two appraisers, at least one of whom shall be a resident of Nicollet County. Each appraiser shall before entering upon the duties of his office take and subscribe an oath that he will faithfully and impartially discharge his duties as appraiser according to the best of his ability and that he is not interested directly or indirectly in any of the lands to be appraised or the timber or improvements thereon or in the purchase thereof and has entered into no agreement or combination to purchase the same or any part thereof, which oath shall be attached to the appraisal report.

The commissioner of administration shall, on the basis of the two appraisals, certify the consideration to be paid for the land. The cost of the appraisals shall be added to and made a part of the certified value of the land to be conveyed.

Sec. 3. Subdivision 1. The provisions of section 1 of this act shall become effective only after its approval by a majority of the governing body of the city of Owatonna and upon compliance with the provisions of Minnesota Statutes, Section 645.021.

Subd. 2. The provisions of section 2 of this act shall become effective the day following final enactment.

Approved April 7, 1980

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## CHAPTER 522—S.F.No. 2062

*An act relating to financial institutions; providing for interest rates on certain installment loans and open end loan account arrangements; granting certain lending powers to savings associations and savings and loan associations; amending Minnesota Statutes 1978, Sections 48.153; 51A.21, by adding a subdivision; and 52.14.*

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

Section 1. Minnesota Statutes 1978, Section 48.153, is amended to read:

**48.153 INSTALLMENT LOANS; FINANCE CHARGES; MINIMUM CHARGES.** Subdivision 1. A bank organized under the laws of this state, or a national banking association doing business in this state making a loan of money not exceeding \$35,000 repayable in installments, may charge upon the unpaid

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principal balance of the financed amount a rate of interest not in excess of 12 percent a year. A loan made prior to June 30, 1982, at a greater rate than permitted by this subdivision may continue to bear the greater rate of interest if that greater rate was lawful when the loan was made.

Subd. 1a. (a) Any Notwithstanding subdivision 1, a bank organized under the laws of this state, or any a national banking association doing business in this state, making any a loan of money not exceeding \$25,000 \$35,000 repayable in installments, may make a finance charge for such loan to be computed at a rate which does not exceed 12 percent per annum charge, at the time the loan is made, a rate of interest upon the unpaid principal balance of the amount financed of 12 percent a year, or the rate of interest authorized by section 334.011, whichever is greater. If the rate of interest charged is permitted by section 334.011 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate .

(b) This subdivision supersedes subdivision 1 from its effective date until June 30, 1982.

Subd. 2. Installment payments on loans made pursuant to this section by a bank or national banking association shall not extend beyond a period of 12 years and 32 days from the date of the loan. The loan may be secured by a mortgage, pledge, or other collateral.

Subd. 3. A savings bank organized pursuant to chapter 50, that has its principal place of business in this state, may make a loan for consumer purposes to a natural person in an amount not exceeding \$25,000 repayable in installments, and may charge upon the unpaid principal balance of the financed amount a rate of interest not in excess of 12 percent a year. A loan made prior to June 30, 1982, at a greater rate than permitted by this subdivision may continue to bear the greater rate of interest if that greater rate was lawful when the loan was made.

Subd. 3a. (a) Any Notwithstanding subdivision 3, a savings bank organized pursuant to chapter 50, and having that has its principal place of business in this state, may make a loan for consumer purposes to any a natural person in an amount not exceeding \$7,500 \$25,000 repayable in installments, and may make a finance charge for the loan to be computed at a rate not exceeding 12 percent per annum on charge a rate of interest upon the unpaid principal balance of the amount financed of 12 percent a year, or the rate of interest authorized by section 334.011, whichever is greater. If the rate of interest charged is permitted by section 334.011 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate.

(b) This subdivision supersedes subdivision 3 from its effective date until June 30, 1982.

Subd. 4. Installment payments on loans made pursuant to this section by a savings bank shall not extend beyond a period of five years and 32 days from the date of the loan. The loan may be secured by a mortgage, pledge or other collateral.

Subd. 5. Charges in reference to installment loans under this section shall be computed and collected only on the unpaid principal balance of the amount financed actually outstanding. One day's finance charge ~~shall mean~~ means an amount equal to 1/365 of the per annum rate provided for in an installment loan. If the total finance charge determined on an installment loan, single payment or demand loan shall be less than \$10 the amount charged may nevertheless be \$10. No loan shall be made pursuant to this section if over 50 percent of the proceeds of the loan are used to finance the purchase of a borrower's primary residence other than a mobile home.

Sec. 2. Minnesota Statutes 1978, Section 51A.21, is amended by adding a subdivision to read:

Subd. 19. OPEN END LOAN ACCOUNT ARRANGEMENTS. A savings association or savings and loan association subject to the provisions of sections 51A.01 to 51A.57, and a savings and loan association chartered under the laws of the United States, and a wholly owned subsidiary of such a financial institution, may extend credit through an open end loan account arrangement with a debtor, pursuant to which the debtor may obtain loans from time to time by cash advances, purchases or satisfaction of the obligations of the debtor incurred pursuant to a credit card or other open end loan account plan, or otherwise under a credit card or overdraft plan, pursuant and subject to the provisions of section 48.185, subdivisions 3, 4, 4a, 5, 6 and 7, that are applicable to banks, national banking associations, and savings banks. The extension of credit pursuant to this subdivision may be unsecured or may be secured in whole or in part by an assignment or pledge of a savings account or savings certificate.

Sec. 3. Minnesota Statutes 1978, Section 52.14, is amended to read:

52.14 INTEREST ON LOANS. Subdivision 1. Interest rates on unpaid balances of loans made by a credit union shall not exceed one per cent a month on unpaid balances. A loan made prior to June 30, 1982, at a greater rate of interest than is permitted by this subdivision may continue to bear the greater rate of interest if the greater rate was lawful when the loan was made.

Subd. 2. (a) Notwithstanding subdivision 1, interest rates on unpaid balances of loans made by a credit union after the effective date of this subdivision shall not exceed one percent a month or the rate of interest authorized by section 334.011, whichever is greater at the time the loan is made. If the rate of interest charged is permitted by section 334.011 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate.

(b) This subdivision supersedes subdivision 1 from its effective date until June 30, 1982.

Sec. 4. This act is effective the day following final enactment. Section 1, subdivisions 1a and 3a, and section 3, subdivision 2, are repealed on June 30, 1982.

Approved April 7, 1980

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