

(3) THE INTEREST RATE MAY NOT EXCEED 1 PERCENT PER MONTH OR 12 PERCENT PER ANNUM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1982.

Approved June 1, 1982.

CHAPTER 753

(House Bill 1853)

AN ACT concerning

Credit Transactions - Maximum Rates

FOR the purpose of establishing maximum rates of interest or finance charge on certain loans, forbearances of money, retail credit accounts, retail installment sales transactions, and other credit and loan transactions for which maximum rates are permitted and regulated by State law; ~~authorizing the imposition and collection of membership fees in connection with retail credit accounts and certain credit card plans, providing for limitations on the imposition of such fees, providing for certain limitations on imposition of the rates on existing transactions, providing that these rates and fees are without effect after a certain date, providing that certain lenders are required to be licensed to utilize these rates, and generally relating to interest rates and finance charges~~ authorizing prohibiting the imposition and collection of membership fees in connection with certain open-end accounts, including credit card plans; providing that a seller or financial institution may assess either a certain finance charge or a late payment charge; providing that certain lenders making loans under written agreements must be licensed by the Commissioner of Consumer Credit; providing the conditions under which certain credit transactions may be renewed or refinanced; specifying the conditions under which interest rates or finance charges may vary or be adjusted; setting forth procedures for the repossession and redemption of property subject to a security interest; providing for defenses which may be raised against holders of consumer credit contracts; prohibiting balloon payments under certain circumstances; restricting the charging of interest or finance charges on finance charges under certain circumstances; and generally relating to interest rates, finance charges, the extending of credit, and the licensing of lenders.