

SB 6736 - DIGEST

Provides that a licensee that has obtained the required small loan endorsement may not make a small loan under this act unless: (1) The licensee has assessed the borrower's ability to repay the loan, including the borrower's current and expected income, current obligations, and employment; and

(2) At consummation of the loan, the borrower's total monthly debts, including the small loan, do not exceed forty-five percent of the borrower's monthly gross income. Each small loan must have a minimum term of not less than two weeks, including weekends and holidays, for each fifty-dollar amount owed on the small loan.

Declares that the maximum principal amount of any small loan, or the outstanding principal balances of all small loans made by a licensee to a single borrower at any one time, may not exceed five hundred dollars.

Provides that a licensee that has obtained the required small loan endorsement may charge interest or fees for small loans not to exceed thirty-six percent per annum. The rate charged on the outstanding balance after maturity shall not be greater than the rate charged during the loan term.