

16A.

(a) In lieu of contracting for computing and collecting interest as provided in Section 16(a) of this article, every person, copartnership, association and corporation licensed under this article may loan any sum of money not to exceed one thousand dollars (\$1,000) in amount, excluding charges, and may charge, contract for and receive thereon charges at a rate not exceeding twenty dollars (\$20) per one hundred dollars (\$100) per year on that part of the principal of the loan not exceeding three hundred dollars (\$300), fifteen dollars (\$15) per one hundred dollars (\$100) per year on that part of the principal of the loan exceeding three hundred dollars (\$300) but not exceeding six hundred dollars (\$600), and ten dollars (\$10) per one hundred dollars (\$100) per year on that part of the principal of the loan exceeding six hundred dollars (\$600) but not exceeding one thousand dollars (\$1,000), provided however that such charges shall not exceed an amount equivalent to six (6) per centum per annum on any amount remaining unpaid six (6) months after the date of maturity, as originally scheduled or as deferred. When the loan contract is for more or less than a year, the charges shall be computed at one-twelfth of the annual rate for each month. For the purposes of this Section a month shall be that period of time from one date in a calendar month to the corresponding date in the following calendar month but if there is no such corresponding date then to the last day of such following calendar month. Charges shall be computed when the loan is made on the principal of the loan for the full term of the loan contract notwithstanding any agreement to repay the loan in installments. The charges shall be added to the principal of the loan and the resulting sum may be the face amount of the note. Every loan contract under the provisions of this section shall require repayment in consecutive, substantially equal, monthly installments of principal and charges combined and every payment may be applied to the combined total of principal and charges until the contract is fully paid. All payments on any loan, except those applied to default and deferment charges, shall be deemed applied to the unpaid installments in the order in which they are due. The portion of the charges applicable to any particular monthly period of the contract shall be that proportion of the charges contracted for under the provisions of this Section which the balance of the contract scheduled to be outstanding during such month bears to the sum of all monthly balances originally scheduled to be outstanding by the contract.

(b) If the contract is prepaid in full by cash, a new loan, or otherwise, before the final installment due date, the borrower shall receive a rebate determined by that proportion of total charges, which the sum of the consecutive installments payable after the date of prepayment bears to the sum of all installments payable under the schedule of payments in the original contract. No rebate shall be required at the time of any partial payment nor if the rebate is less than one dollar (\$1.00). If judgment is obtained before the final installment date, the contract balance shall be reduced by the rebate which would be required for prepayment as of the date judgment is obtained.

(c) Notwithstanding the requirement for consecutive substantially equal monthly installments of principal and charges combined, the first installment period may exceed one (1) month by as much as