

(1) A lender may charge interest at an effective rate of simple interest not in excess of 12 percent per annum on the unpaid principal of a loan if:

(i) There is a written agreement signed by the borrower which sets forth the stated rate of interest charged by the lender;

(ii) The loan is not secured by a first mortgage or first deed of trust on real property;

(iii) The loan is not fully secured by investment securities or savings accounts; and

(iv) The borrower is required to repay the loan in periodic installments, which may be regular, irregular, equal or unequal installments.]

(C) LOANS NOT SECURED BY RESIDENTIAL REAL PROPERTY - 18 PERCENT MAXIMUM FOR \$3,500 AND UNDER; AND 12 PERCENT MAXIMUM OVER \$3,500.

(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A LENDER MAY CHARGE INTEREST AT THE FOLLOWING EFFECTIVE RATES OF SIMPLE INTEREST:

(I) WITH RESPECT TO A LOAN NOT EXCEEDING \$3,500, 18 PERCENT PER ANNUM ON THE UNPAID PRINCIPAL BALANCE OF THE LOAN; AND

(II) WITH RESPECT TO A LOAN EXCEEDING \$3,500, 12 PERCENT PER ANNUM ON THE UNPAID PRINCIPAL BALANCE OF THE LOAN.

(2) THE RATES PERMITTED BY THIS SUBSECTION MAY BE CHARGED ONLY IF:

(I) THERE IS A WRITTEN AGREEMENT SIGNED BY THE BORROWER WHICH SETS FORTH THE STATED RATE OF INTEREST CHARGED BY THE LENDER;

(II) THE LOAN IS NOT SECURED BY A FIRST MORTGAGE OR FIRST DEED OF TRUST ON REAL PROPERTY;

(III) THE BORROWER IS REQUIRED TO REPAY THE LOAN IN PERIODIC INSTALLMENTS, WHICH MAY BE REGULAR, IRREGULAR, EQUAL OR UNEQUAL INSTALLMENTS;

(IV) THE LOAN IS NOT SECURED BY A CONFESSION OF JUDGMENT OR POWER OF ATTORNEY TO THE LENDER OR TO A THIRD PERSON TO CONFESS JUDGMENT OR APPEAR FOR THE BORROWER IN A JUDICIAL PROCEEDING;

(V) THE LOAN IS NOT SECURED BY AN INSTRUMENT IN WHICH BLANKS ARE LEFT TO BE FILLED AFTER EXECUTION;

(VI) THE LOAN IS NOT SECURED BY A NOTE,