

(2) If a loan made under paragraph (1) of this subsection is secured by the pledge of collateral which is a certificate of deposit held by the borrower, the lender may charge interest at a rate equal to NOT TO EXCEED [at least] 2 percent in excess of the rate of interest payable on the certificate of deposit. [However, in no event may this rate of interest exceed 12 percent.]

(3) If a loan made under paragraph (1) of this subsection is secured by the pledge of collateral which is other than a savings account or if such loan is unsecured, the lender may charge a rate of interest not in excess of [12] 18 percent.

(c) (1) Subject to paragraph (2) of this subsection, a lender may charge interest at [the following] AN effective [rates] RATE 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] NOT IN EXCESS OF 18 PERCENT PER YEAR on the unpaid principal balance of the loan.

12-506.

(a) In an open end account, the finance charge may not exceed:

(1) 1.5 percent per month on that part of the outstanding balance not exceeding [\$500] \$700; and

(2) 1 percent per month on that part of the outstanding balance exceeding [\$500] \$700.

SECTION 3 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1980.

Approved May 27, 1980.

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CHAPTER 692

(Senate Bill 335)

AN ACT concerning

Creation of a State Debt - State Public  
School Construction and Capital Improvement  
Loan of 1980