NEW YORK

References are to Consolidated Laws, Ch. 2, Banking Laws, Sec. 108, as added by Laws 1957, Ch. 597; amended by Laws 1958, Chs. 263 and 683; Laws 1959, Ch. 583; Laws 1960, Chs. 349 and 784; Laws 1962, Chs. 496 and 642; Laws 1965, Chs. 843 and 849; Laws 1968, Ch. 1072, approved June 22, 1968, effective July 1, 1969

Lenders.—Banks and trust companies holding certificates of authorization to operate personal loan departments from the Superintendent of Banking.

Maximum Loan.—$5,000 of unpaid principal balances, except to extent that loan is made for commercial or business use or for investment in or purchase of an unincorporated business or commercial enterprise.

Interest Charges.—Loans maturing not over 37 months: $6 per annum discount per $100 of face amount computed from date of loan to date of last instalment; may be taken in advance. Loans maturing in excess of 37 months: $5 per annum discount per $100 of face amount computed in the same manner, $10 minimum charge permitted.

Maximum Time.—25 months on loans not over $1,200 face amount; 37 months on loans over $1,200 face amount or on loans in any amount which is loaned to enable payment of imporvements made upon existing structures by the owner or lessee; 61 months on loans over $1,200 face amount which are made for a commercial or business use or for investment in or purchase of an unincorporated business or commerical enterprise or which are made to enable payment of improvements made upon existing structures by the owner or lessee.

Payments and Refunds.—*Instalments:* substantially equal payments at regular periodic intervals of not more than one month; if loan is for a period of one year or more, provisions may be made for omission of instalments during not more than 3 specified months in any 12 month period, but the legal maximum time can not be exceeded. *Prepayment:* allowed in full, or refinance with lender's consent; refund credit computed in accordance with "Rule of 78"; if interest previously deducted was less than $10, no refund required; or if interest previously deducted exceeded $10 and the earned interest is less, the lender may retain such an additional amount as will bring the earned interest to $10 and refund the remainder; unless loan is refinanced, minimum refund is $1; lender must refund any charged excess for credit life and accident and health insurance premiums, minimum refund is $1.

Special Charges.—*Delinquency:* either (a) $.05 per $1 fine on any instalment in default over 10 days; maximum fine is $5; only one fine per instalment; aggregate fines can not exceed 2% of loan or $25, whichever is less, excess of aggrgate fines over $1 must be returned to borrower within 60 days after loan is paid in full; or (b) 1% per month interest on each amount past due during delinquency period. *Collection:* actual expenditures, including reasonable attorney's fees for necessary court process. *Insurance Premiums:* an amount in accordance with premium rate schedules on file with the Superintendent of Insurance on group life, health and accident insurance and on property insurance on security, [see "Creidt Insurance Chart" at ¶ 51]. *Investigation:* any charge must be included in the maximum interest charges permitted. *Other:* fees payable to public officers to perfect any security interest taken to secure the loan, or the premium, not in excess of such filing fees, payable for any insurance in lieu of such filing; no other charges permitted.

Disclosure.—Loan applications and evidences of debt must state the rate of charge as (provided the loan is not subject to the Truth in Lending Act—New York ¶ 1291): a rate in dollars per annum discount per $100 face amount, or at a rate not exceeding $6 per annum discount per $100 face amount; provided that if the loan has a maturity exceeding 37 months, at a rate not exceeding $5 per annum discount per $100 face amount. [Note: The 1968 law, effective July 1, 1969, added the proviso.—CCH.]

Penalty For Excessive Interest.—If done knowingly, forfeiture of entire interest, and if paid, the borrower can recover twice the entire amount of interest. [NOTE: The 1968 law, effective July 1, 1969, deleted the requirement that the usurious interest paid be recovered within 2 years from the time the excess was taken.—CCH.]

Miscellaneous Provisions.—*Insurance:* group life, accident and health and property insurance may be required. *Acceleration:* no provision. *Security:* lender can not require borrower to place any sum on deposit, or to make deposits in lieu of regular periodic instalments as a condition precedent to granting the loan. *Other:* no special provisions.