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H.775

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Introduced by Committee on Commerce and Economic Development

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Date:

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Subject: Commerce; installment loans; interest rates

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Statement of purpose: This bill proposes to increase the aggregate outstanding

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balance of an installment loan that is subject to an interest rate of up to 24

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percent per annum.

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An act relating to allowed interest rates for installment loans

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It is hereby enacted by the General Assembly of the State of Vermont:

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Sec. 1. 9 V.S.A. § 41a is amended to read:

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§ 41a. LEGAL RATES

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(a) Except as specifically provided by law, the rate of interest or the sum

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allowed for forbearance or use of money shall be twelve percent per annum

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computed by the actuarial method.

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(b) The rate of interest or the sum allowed:

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(5) For an installment loan not otherwise limited by the preceding

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subdivisions of this subsection, the interest rate shall not exceed 24 percent per

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annum on the first ~~\$1,000.00~~ \$10,000.00 of the aggregate balance outstanding;

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and shall not exceed 12 percent per annum of the aggregate balance

