

1 State of Arkansas
2 78th General Assembly
3 Regular Session, 1991

A Bill ACT 893 OF 1991

HOUSE BILL 1686

4 By: Representative Wingfield

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED §23-32-902(4)(B)
9 CONCERNING THE USE OF CERTIFICATES OF RELIANCE BY BANKS;
10 AND FOR OTHER PURPOSES."

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12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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14 SECTION 1. Arkansas Code Annotated §23-32-902(4)(B) is amended to read
15 as follows:

16 "(B) However, in the case of endorsed or guaranteed obligations on
17 consumer loans, if the financial responsibility of the primary debtor is
18 reasonably adequate, and if an officer of the bank designated by the board of
19 directors for that purpose shall certify in writing that the liability of the
20 primary debtor has been evaluated and that the bank is relying primarily on
21 such primary debtor for payment, the twenty percent (20%) limitation shall be
22 applied to each of the primary debtors but not to the liability, in such
23 capacity, of the endorser or guarantor. Consumer loans for the purpose of
24 this section shall be considered to be credit extended to a natural person in
25 which the money is to be used primarily for personal, family or household
26 purposes."

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28 SECTION 2. All provisions of this act of a general and permanent nature
29 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
30 Revision Commission shall incorporate the same in the Code.

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32 SECTION 3. If any provision of this act or the application thereof to
33 any person or circumstance is held invalid, such invalidity shall not affect
34 other provisions or applications of the act which can be given effect without
35 the invalid provision or application, and to this end the provisions of this
36 act are declared to be severable.

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SECTION 4. All laws and parts of laws in conflict with this act are hereby repealed.

APPROVED: 3/29/91