

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

A Bill

SENATE BILL 968

5 By: Senator Wooldridge
6 By: Representative J. Martin
7

For An Act To Be Entitled

10 AN ACT TO CREATE THE OFFENSE OF UNLAWFUL CONSUMER
11 LOANS; TO ENFORCE THE PROVISIONS OF ARKANSAS
12 CONSTITUTION, ARTICLE 19, § 13; AND FOR OTHER
13 PURPOSES.
14

Subtitle

15 AN ACT TO CREATE THE OFFENSE OF UNLAWFUL
16 CONSUMER LOANS.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code Title 5, Chapter 63, Subchapter 2 is amended
23 to add an additional section to read as follows:

24 5-63-205. Unlawful consumer loans.

25 (a) As used in this section:

26 (1) "Consumer loan" means a loan extended to an individual in
27 which the money that is the subject of the transaction is primarily used for
28 personal, family, or household purposes; and

29 (2) "Person" means an individual, group of individuals,
30 partnership, incorporated or unincorporated association, corporation, or any
31 other business unit or legal entity.

32 (b) It is unlawful for any person to knowingly charge a rate of
33 interest greater than seventeen percent (17%) in a transaction involving a
34 consumer loan, as prohibited by Arkansas Constitution, Article 19, § 13.

35 (c)(1) Any person violating the provisions of subsection (b) of this
36 section is guilty of a violation and upon conviction shall be fined three



1 hundred dollars (\$300).

2 (2) Each transaction involving an unlawful consumer loan is a
3 separate offense.

4 (d) The provisions of this section shall not apply to consumer loans
5 made by banks, trust companies, state or federal credit unions, savings and
6 loan associations, or any other person or entity operating under provisions
7 of federal law regulating loans or lending practices.

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