

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

As Engrossed: S3/10/05

# A Bill

SENATE BILL 968

5 By: Senator Wooldridge  
6 By: Representative J. Martin  
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## For An Act To Be Entitled

9 AN ACT TO CREATE THE OFFENSE OF UNLAWFUL CONSUMER  
10 LOANS; TO ENFORCE THE PROVISIONS OF ARKANSAS  
11 CONSTITUTION, ARTICLE 19, § 13; AND FOR OTHER  
12 PURPOSES.  
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## 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 federally insured state or federal banks, trust companies, credit  
6 unions, savings and loan associations, savings banks or any other person or  
7 entity operating under provisions of state or federal law regulating loans or  
8 lending practices.

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10 /s/ Wooldridge  
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