

ASSEMBLY BILL NO. 421—ASSEMBLYMEN PARNELL,
LESLIE, GIBBONS, LEE AND SMITH

MARCH 19, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Limits permissible rate of interest on installment loans. (BDR 56-1282)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to the lending of money; imposing a limit upon the rate of interest chargeable upon loans regulated pursuant to chapter 675 of NRS; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 675 of NRS is hereby amended by adding thereto a new section to read as follows:

With respect to a loan under this chapter, regardless of the duration of the loan, a licensee may not charge or contract for a rate of interest or other charge exceeding the greater of:

1. The total of:

(a) Thirty-six percent per year on that part of the unpaid balance of the amount borrowed which does not exceed \$300;

(b) Twenty-one percent per year on that part of the unpaid balance of the amount borrowed which exceeds \$300, but does not exceed \$1,000; and

(c) Fifteen percent per year on that part of the unpaid balance of the amount borrowed which exceeds \$1,000; or

2. Eighteen percent per year on the entire unpaid balance of the amount borrowed.

Sec. 2. NRS 675.363 is hereby amended to read as follows:

675.363 1. Under an agreement for a loan for an indefinite term, the licensee may receive interest ~~in any amount or at any annual rate provided in the agreement. This interest must be~~ calculated for each billing cycle in either of the following ways:

(a) By multiplying the daily rate by the daily unpaid balance in the account. The daily rate is determined by dividing the annual rate of interest



1 fixed by the agreement by 365. The daily unpaid balance is determined by
2 adding to any balance remaining unpaid as of the beginning of each day
3 any advances and any appropriate charges, including interest, and by
4 deducting therefrom any payments or other credits made or received on
5 that day.

6 (b) By multiplying the monthly rate by the average unpaid daily balance
7 in the account for that billing cycle. The monthly rate is determined by
8 dividing the annual rate of interest by 12. The average unpaid daily balance
9 is determined by dividing the sum of all of the daily unpaid balances
10 during the billing cycle by the number of days in the cycle.

11 2. Unless otherwise provided in the agreement, the billing cycle must
12 be monthly. A billing cycle is monthly if the closing date of the cycle is the
13 same date each month or does not vary by more than 4 days from that date.

