

## LEGISLATIVE BILL 492

Approved by the Governor May 8, 1979

Introduced by Banking, Commerce and Insurance Committee, DeCamp, 40, Chmn.; Duis, 39; Merz, 1; Lewis, 45; Fitzgerald, 14

AN ACT to amend section 45-338, Revised Statutes Supplement, 1978, as amended by section 1, Legislative Bill 478, Eighty-sixth Legislature, First Session, 1979, relating to interest; to provide an exception to the maximum interest rates in certain installment contracts; and to repeal the original section. Be it enacted by the people of the State of Nebraska,

Section 1. That section 45-338, Revised Statutes Supplement, 1978, as amended by section 1, Legislative Bill 478, Eighty-sixth Legislature, First Session, 1979, be amended to read as follows:

45-338. (1) Notwithstanding the provisions of any other law, the time price differential for any goods or services sold under an installment contract shall not exceed eighteen per cent per annum on that part of the unpaid principal balance not in excess of one thousand dollars, and not exceeding twelve per cent per annum on that part of the unpaid principal balance in excess of one thousand dollars, except the time price differential for installment contracts on vehicles having a gross vehicle weight of over fifteen thousand pounds or costing more than twenty thousand dollars shall not exceed sixteen per cent on the unpaid principal balance; Provided, a minimum time price differential of ten dollars may be charged on any installment contract. Nothing in sections 45-334 to 45-353 shall prohibit a seller or holder of an installment contract from contracting for, computing, and charging a time price differential based upon the application of the rate charged to the unpaid principal balance for the number of days actually elapsed, and the charges so computed shall be used for the purpose of calculating the time price differential, the time price balance, the amount of each installment, and the time sale price. When the installment contract is payable in substantially equal and consecutive monthly installments, the time price differential shall be computed on the basic time price of each contract, as determined under the provisions of section 45-336, from the date of the contract until the due date of the final installment, notwithstanding that the time price balance is required to be paid in installments.

(2) When an installment contract provides for payment other than in substantially equal and consecutive monthly installments, the time price differential may be at a rate which will provide the same return as is permitted on substantially equal monthly payment contracts under subsection (1) of this section, having due regard for the schedule of payments.

(3) Every contract payable in two or more installments shall provide for payment of such installments at approximately equal periodic intervals of time and be so arranged that no installment is substantially greater in amount than any preceding installment; Provided, that in order to facilitate payment in accordance with the buyer's seasonal or intermittent income a contract may reduce or omit payments over any period or periods in which the buyer's income is reduced or suspended.

Sec. 2. That original section 45-338, Revised Statutes Supplement, 1978, as amended by section 1, Legislative Bill 478, Eighty-sixth Legislature, First Session, 1979, is repealed.