

## Chapter 725

### Small Loans

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ATTY. GEN. OPINIONS: License number on cover letter with inclosed advertisement, 1950-52, p 190; effect of change in membership of partnership upon license of partnership, 1952-54, p 63; issuance of license in a partnership name, 1952-54, p 148; constitutionality of chapter, 1954-56, p 14; validity of chattel mortgage regarding repairs, 1960-62, p 222; application to loans exceeding, \$1,500, 1962-64, p 232; legality of interest charge on side loan for premium for insurance on collateral, 1966-68, p 115; applicability to national banks, 1966-68, p 160.

LAW REVIEW CITATIONS: 42 OLR 5; 49 OLR 97-110, 426.

#### 725.010

ATTY. GEN. OPINIONS: Issuance of license in a partnership name, 1952-54, p 148.

#### 725.025

ATTY. GEN. OPINIONS: Application to loans exceeding \$1,500, 1962-64, p 232.

#### 725.030

##### NOTES OF DECISIONS

The legislative intent was to make legal the charging and collecting of a rate of interest in excess of 10 percent per annum on certain loans, under certain conditions, and not to declare void such loans, which, prior to the enactment of laws regulating the business of making small loans, were merely usurious. *Ford v. Bates*, (1935) 150 Or 672, 47 P2d 951.

ATTY. GEN. OPINIONS: Interest chargeable on loans exceeding \$300, 1944-46, p 16; "releasing" borrower to assume further obligation within statutory limit, 1950-52, p 236; application to loans exceeding \$1,500, 1962-64, p 232; side loan for insurance premiums as indirectly exceeding the maximum allowed interest rate, 1966-68, p 115; applicability of small loan laws to national banks, 1966-68, p 160.

#### 725.040

##### NOTES OF DECISIONS

The only apparent purpose in including this section in the Small Loan Act, the Motor Vehicle Finance Act, and the Pawnbrokers Act, was to permit any individual or firm to engage in any or all of the three kinds of loaning business, if properly licensed under each separate Act to engage in the kind of business regulated by that Act; licensees under one of these Acts could not merely by virtue of being so licensed do business under either of the other Acts. *Ford v. Bates*, (1935) 150 Or 672, 47 P2d 951.

#### 725.050

ATTY. GEN. OPINIONS: Motor vehicle finance licensee as restricted to motor vehicles as security for loans, 1934-36, p 484; validity under motor vehicle finance licensing law of a form of transfer of title and assumption of mortgage, 1944-46, p 443; duty of lender to include loan for premium on insurance on collateral in statement concerning loans, 1966-68, p 115.

LAW REVIEW CITATIONS: 48 OLR 151.

#### 725.060

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#### 725.110

ATTY. GEN. OPINIONS: Licensing of national banks to engage in the business of making loans on motor vehicles, 1936-38, p 88; necessity of foreign corporation, its solicitors and salesmen to be licensed to engage in a small loan business, 1944-46, p 104.

#### 725.120

CASE CITATIONS: *Ford v. Bates*, (1935) 150 Or 672, 47 P2d 951.

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#### 725.140

ATTY. GEN. OPINIONS: Intent to employ person convicted of violating Act as justifying refusal of license, 1934-36, p 745; effect of change in membership of partnership upon license of partnership, 1952-54, p 63; applicability of small loan laws to national banks, 1966-68, p 160; considerations in approving application for changing location of a bank, 1966-68, p 380.

#### 725.160

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#### 725.210

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#### 725.230

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nance license for unethical repossession, 1932-34, p 328; revocation of motor vehicle finance license for failure to repair damages in connection with repossession, 1934-36, p 196; revocation of motor vehicle finance license for lending to persons not owning vehicles, 1938-40, p 169.

LAW REVIEW CITATIONS: 48 OLR 151.

**725.310**

ATTY. GEN. OPINIONS: Application to loans exceeding \$1,500, 1962-64, p 232.

**725.320**

ATTY. GEN. OPINIONS: Authority of Superintendent of Banks in connection with repossession of an automobile held as security for a loan, 1932-34, p 328; duty of Superintendent of Banks in connection with repossession and redelivery of a motor vehicle, 1934-36, p 196; regulations governing advertising, 1950-52, p 190.

**725.340**

**NOTES OF DECISIONS**

The provision that any loan made by any licensee for which a greater rate of interest or consideration than is permitted by this Act has been charged, contracted for or received, shall be void, applies only to licensees. *Ford v. Bates*, (1935) 150 Or 672, 47 P2d 951.

Subsection (1) is constitutional and not violative of Ore. Const. Art. IV, §20, providing for the title requirements of statutes or of §23(12), prohibiting special or local laws as to interest on money. *Wrenn v. Portland Loan Co.*, (1937) 155 Or 395, 64 P2d 520.

ATTY. GEN. OPINIONS: Right of person acting as an insurance agent, who is also an officer of a corporation licensed under the Small Loan Act, to accept his commission on insurance written to cover property mortgaged by a borrower to the corporation of which he is an officer, 1930-32, p 619; company entering into a small loan transaction in this state as governed by the Oregon Act in charging fees although the borrower is a Washington resident and the security for the loan is situated in that state, 1944-46, p 292.

Validity of a chattel mortgage provision for deduction

of expenses of repossession, etc., 1938-40, p 656; making of loan secured by second mortgage upon a motor vehicle, 1936-38, p 362; validity of liens upon trailers as security, 1938-40, p 19; applicability of the \$500 provision where the aggregate of loans made to one person under the motor vehicle finance licensing law exceeds that amount, 1940-42, p 87; where amount of loan under the motor vehicle finance licensing law is increased upon renewal, applicability of interest rates, 1940-42, p 237; including in the loan the recording fee and insurance premium to be charged the borrower, 1944-46, p 51; legality of adding to the unpaid principal of a loan held by the licensee an insurance premium which becomes due and charging interest at the rate of 10 percent per annum, 1944-46, p 446.

"Releasing" borrower to assume further obligation within statutory limit, 1950-52, p 236; inclusion of accommodation note in computation of maximum permissible interest charges, 1956-58, p 151; validity of chattel mortgage provision regarding repairs, 1960-62, p 222; application to loans exceeding \$1,500, 1962-64, p 232; legality of interest charge on side loan for premium for insurance on collateral, 1966-68, p 115; applicability of usury laws to national bank's BankAmericard program, 1966-68, p 160.

LAW REVIEW CITATIONS: 37 OLR 78; 47 OLR 146; 49 OLR 426.

**725.360**

ATTY. GEN. OPINIONS: Duty of lender to include loan for premium on insurance on collateral in statement concerning loans, 1966-68, p 115.

**725.370**

**NOTES OF DECISIONS**

To avoid repayment of the loan, the borrower may avail himself of the defense of usury, and, if successful, he is relieved of paying anything more than the principal, which he is required to pay into the school fund. If the borrower would escape the payment of both principal and interest, he must see that the lender is convicted of charging a rate of interest in excess of that countenanced by law. *Ford v. Bates*, (1935) 150 Or 672, 47 P2d 951.

**725.990**

LAW REVIEW CITATIONS: 48 OLR 151.