

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

STATE OF MINNESOTA

Banking Division
(612) 296-2135

Securities and Real Estate Division
(612) 296-2594

Insurance Division
(612) 296-2488

Administrative Services Division
(612) 296-2283

DEPARTMENT OF COMMERCE

500 Metro Square Building
St. Paul, Minnesota 55101

RECEIVED
JAN 4 - 1983
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

January 3, 1983

Office of the Attorney General
Administrative Division
Second Floor, Administration Building
50 Sherburne Avenue
St. Paul, Minnesota 55155

Re: In the Matter of the Proposed Amendments of the Rules Governing Regulated Lenders and Industrial Loan and Thrift Companies

This is to submit the above captioned rules and procedural record as required by Minn. Stat. § 15.0412, Subd. 4h, as amended, including the following:

1) proposed rules and notice as published;
2) rules as proposed for adoption;
3) written comments received by the Banking Division; and
4) statement of need and reasonableness.

No persons requested to be informed that these materials have been submitted to the Attorney General. If there are any questions regarding these proposed rules for adoption or procedural records, please contact me at 297-2750.

Sincerely,

James G. Miller
Assistant Commissioner

JGM:pi

Enc.

cc: Paul M. Marinac, Assistant Revisor

SF-00006-02

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT of Commerce - Banking

TO : Judith Wehrwein
204 Administration Building

DATE: January 10, 1983

RECEIVED
JAN 11 1983
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

FROM : James G. Miller
Assistant Commissioner

PHONE: 7-2750

SUBJECT: Regulated Lender Rule Documentation

The following documents are enclosed to supplement those forwarded January 3, 1983:

- Rules as Adopted (original and three copies). Identical with published rules.
- Order Adopting (two copies)
- Order for Notice of Intent to Adopt Rules Without Public Hearing (one copy)
- Affidavit of Mailing Notice of Intent to Adopt Rules Without Public Hearing (one copy)
- Mailing List Certificate (one copy)
- Certificate of Compliance with Rulemaking Procedures (one copy)

Thank you for your review and assistance. If additional information is needed, please contact me at 297-2750.

JGM:pi

Attach.

Our File No. 873

1/5 Miller requested to send missing documents 1/11 rec'd

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 1-4-83
DATE FOR REVIEW 1-13-83
DATE DUE 1-18-83

Adopted w/a hearing _____
Adopted w/o hearing ✓
Temporary rule _____

Approved _____ Disapproved _____ Returned to Agency _____

Resubmitted _____ Due _____
Approved _____ Disapproved _____ Returned to Agency _____

Date filed w/Secretary of State _____ Revisor approved 1/5/83 disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed see SR

✓ Order Adopting 12.10.82 Date

✓ Notice of Intent to Solicit Outside Opinion SR 5.24.82 + comments

✓ Order for rulemaking
N/A date of Hearing

N/A Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
✓ Sufficiency agency verified Notice as Mailed was identical to that published in SR

✓ Affidavit of Mailing Notice or rulemaking
11.9.82 At least 30 days prior to hearing/adoption

✓ Mailing list Certificate

✓ Publication in State Register
11.1.82 At least 30/~~20~~ days prior to ~~hearing~~/adoption

N/A Hearing Examiner's Report

Chief Hearing Examiner's Report(s)
_____ Approving H.E.'s Report
_____ Approving agency action

✓ Agency's Findings of Fact

N/A LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules

N/A Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

N/A Petition for Adoption of a Rule

✓ Record (includes transcript or tape, exhibits, ~~comments~~ one received by agency, requests for a hearing, and other relevant materials)

✓ Certificate of Compliance w/Rulemaking Procedures

N/A Affidavit of Mailing Notice of Submission to Attorney General

✓ Notice of Submission to the Attorney General

SF-00005-02

DEPARTMENT ATTORNEY GENERAL

STATE OF MINNESOTA

Office Memorandum

TO MICHAEL J. PINT
Commissioner of Banks

DATE: 1/18/83

Attn: RICK EVANS
Special Assistant Attorney General

FROM : TED A. MARTINEZ
Special Assistant
Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of the Propsed Amendments of the Rules Governing Regulated Lenders (Formerly Small Loan Lenders) and Industrial Loan and Thrift Companies

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Please note that they have not been filed with the State Register. This must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of stamps of the Attorney General and Secretary of State;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages to the rules in the approved set.

If you have any questions in this regard, please contact me.

Encs.

TAM/ls

cc: Ms. Kathy Burek
Mr. Duane Harves

AG copy.

Department of Commerce

Commissioner of Banks

Adopted Amendments to Rules Governing the Operation of Regulated Lenders (Formerly Small Loan Lenders) and Industrial Loan and Thrift Companies (Chapter 3: BD 100-109 and Chapter 4: BD 120-127)

Rules as Adopted

LICENSED REGULATED LENDERS

4 MCAR s 1.0101 Maximum loan applies to multiple offices.

Licensees shall not induce or permit any borrower to become obligated, directly or contingently, for a total amount in excess of maximum limit stated in Minnesota Statutes, section 56.131 on loans obtained from two or more licensed offices operated in Minnesota by the same individual, partnership, affiliated partnership, corporation, or affiliated corporation. Licensees shall take reasonable precautions to prevent borrowers from obtaining amounts in excess of the maximum limit in this manner.

4 MCAR s 1.0102 Licensees to be responsible for acts of assignees.

A. Notification. Within ten days after the transaction date, licensees shall notify the commissioner of banks of the bulk purchase of loan accounts made pursuant to the Minnesota Regulated Loan Act from another licensee or person authorized by

the Minnesota Regulated Loan Act to engage in this business without necessity of a license and of the bulk sale of loan accounts to another licensee or person authorized by the Minnesota Regulated Loan Act to engage in this business without necessity of a license. Notices of the purchase and sale of accounts shall state the name and address of the licensee or person from whom accounts are being purchased, to whom accounts are being sold, and shall state the total number of accounts and the total outstanding principal balances involved.

B. Disposition of loan accounts to unlicensed persons. Licensees shall not make a bulk sale or otherwise dispose of loan accounts made pursuant to the Minnesota Regulated Loan Act to any person not licensed under or authorized to engage in this business without necessity of a license by the Minnesota Regulated Loan Act unless prior approval is obtained from the commissioner of banks. The privilege of receiving the charges allowed by the Minnesota Regulated Loan Act cannot be transferred to an unlicensed purchaser or purchaser not authorized to engage in this business without necessity of a license and all loans sold, assigned, or transferred to a nonlicensee or unauthorized person shall be endorsed to bear interest at a rate not to exceed the maximum legal contract rate of interest. This paragraph does not apply to the transfer of loan accounts made pursuant to the Minnesota Regulated Loan Act which is involuntary or by operation of law.

4 MCAR s 1.0104 Transferred accounts.

The original ledger card or record of payments on any transferred regulated loan must be retained in the transferring licensed regulated loan office for at least two years from the date of transfer.

4 MCAR s 1.0106 Refund of unearned interest.

The refund of unearned precomputed interest shall be computed as of the next installment date on any regulated loan prepaid in full by cash, a new loan, renewal, refinancing, or otherwise if prepaid when:

1. 15 days or more have elapsed after a scheduled installment due date in any month where the actual number of days in the interval between the scheduled installment dates totals 28 or 29 days; or

2. 16 days or more have elapsed after a scheduled installment due date in any month where the actual number of days in the interval between the scheduled installment dates totals 30 or 31 days.

When fewer days than described in 1. or 2. have elapsed the refund shall be computed as of the prior due date.

INDUSTRIAL LOAN AND THRIFT COMPANIES

4 MCAR s 1.0120 Books and records.

A. General requirements. In order to facilitate a satisfactory examination by the commissioner of banks or the commissioner's representatives, each industrial loan and thrift

company shall maintain:

1. such books and records as are deemed necessary; and

2. a monthly trial balance as of the close of the accounting period to be in the branch office within 25 days.

B. Additional requirements. The principal office of each industrial loan and thrift company in this state shall maintain the following additional books and records:

1. a consolidated monthly trial balance as of the close of the accounting period to be in the principal office within 25 days;

2. copies of the corporate stock register;

3. copies of all corporate insurance policies and surety bonds, as required by 4 MCAR s 1.0122;

4. copies of the minutes of all the annual, regular, and special meetings of the board of directors and stockholders.

C. Retention period for legal instruments or records of payments. Unless otherwise provided, all legal instruments, supporting documents, and ledger cards or record of payments shall be maintained in the office for at least two years after recording the final entry on them.

Renumbering. Renumber BD 100 as 4 MCAR s 1.0100; BD 104 as 4 MCAR s 1.0103; BD 106 as 4 MCAR s 1.0105; BD 109 as 4 MCAR s 1.0107; BD 121 as 4 MCAR s 1.0121; BD 122 as 4 MCAR s 1.0122; BD 123 as 4 MCAR s 1.0123; and BD 127 as 4 MCAR s 1.0124.

Repealer. Rules BD 102, BD 108, BD 124, BD 125, and BD 126 are repealed.

APPROVED AS TO LEGALITY

January 18, 1983

HUBERT H. HUMPHREY, III ATTORNEY GENERAL

BY Ted A. Martinez

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JAN 19 1983

Secretary of State

3:52 P.M.

Rules as Proposed

~~CHAPTER THREE: BD 100-119~~

~~SMALL LOANS~~

LICENSED REGULATED LENDERS

BD ~~101~~ 4 MCAR S 1.0101 Maximum loan applies to multiple offices.

Licensees shall not induce or permit any borrower to become obligated, directly or contingently, for a total amount in excess of maximum limit stated in Minnesota Statutes, section ~~56.13~~ 56.131 on loans obtained from two or more licensed offices operated in Minnesota by the same individual, partnership, affiliated partnership, corporation, or affiliated corporation. Licensees shall take reasonable precautions to prevent borrowers from obtaining amounts in excess of the maximum limit in this manner.

BD ~~103~~ 4 MCAR S 1.0102 Licensees to be responsible for acts of assignees.

~~(a)~~ A. Notification. Within ten ~~(10)~~ days after the transaction date, licensees shall notify the commissioner of banks of the bulk purchase of loan accounts made pursuant to the Minnesota Regulated Loan Act from another licensee or person authorized by the Minnesota Regulated Loan Act to engage in this business without necessity of a license and of the bulk sale of loan accounts to another licensee or person authorized by the Minnesota Regulated Loan Act to engage in this business without necessity of a license. Notices of ~~such~~ the purchase and sale of accounts shall state the name and address of the ~~lender~~ licensee or person from whom accounts are being purchased, to whom accounts are being sold, and shall state the total number of accounts and the total outstanding principal balances involved.

~~(b)~~ B. Disposition of loan accounts to unlicensed persons. Licensees shall not make a bulk sale or otherwise dispose of loan accounts made pursuant to the Minnesota Regulated Loan Act to any person not ~~holding a license~~ licensed under or authorized

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

to engage in this business without necessity of a license by the Minnesota ~~Small~~ Regulated Loan ~~Law~~ Act unless prior approval is obtained from the commissioner of banks. The privilege of ~~collecting~~ receiving the ~~rate of charge~~ charges allowed by the ~~Small~~ Minnesota Regulated Loan ~~Law~~ Act cannot be transferred to an unlicensed purchaser or purchaser not authorized to engage in this business without necessity of a license and all loans sold, assigned, or transferred to a nonlicensee or unauthorized person shall be endorsed to bear interest at a rate not to exceed ~~six (6) percent per annum after date of transfer~~ the maximum legal contract rate of interest. This paragraph does not apply to the transfer of loan accounts made pursuant to the Minnesota Regulated Loan Act which is involuntary or by operation of law.

~~BD 105~~ 4 MCAR S 1.0104 Transferred accounts.

The original ledger card or record of payments on any transferred ~~small~~ regulated loan must be retained in the transferring ~~small~~ licensed regulated loan office for at least two years from the date of transfer.

~~BD 107~~ 4 MCAR S 1.0106 Refund of unearned interest.

The refund of unearned precomputed ~~charges~~ interest shall be computed as of the next installment date on any ~~small~~ regulated loan prepaid in full by cash, a new loan, renewal, refinancing, or otherwise if prepaid when:

~~(a)~~ 1. 15 days or more have elapsed after a scheduled installment due date in any month where the actual number of days in the interval between the scheduled installment dates totals 28 or 29 ~~days.~~; or

~~(b)~~ 2. 16 days or more have elapsed after a scheduled installment due date in any month where the actual number of days in the interval between the scheduled installment dates totals 30 or 31 days.

When fewer days than described in ~~(a)~~ 1. or ~~(b)~~ 2. have elapsed the refund shall be computed as of the prior due date.

~~CHAPTER FOUR. BD 120-135~~

INDUSTRIAL LOAN AND THRIFT COMPANIES

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

~~BD 120~~ 4 MCAR S 1.0120 Books and records.

~~Subd. 1.~~ A. General requirements. In order to facilitate a satisfactory examination by the commissioner of banks or ~~his~~ the commissioner's representatives, each industrial loan and thrift company shall maintain:

~~(a)~~ 1. such books and records as are deemed necessary~~.~~; and~~,~~

~~(b)~~ 2. a monthly trial balance ~~in the form prescribed~~ as of the close of the accounting period to be in the branch office within ~~15~~ 25 days. ~~A sample form will be provided by the banking division upon request.~~

~~Subd. 2.~~ B. Additional requirements. The principal office of each industrial loan and thrift ~~corporation~~ company in this state shall maintain the following additional books and records:

~~(a)~~ 1. a consolidated monthly trial balance ~~in the form prescribed~~ as of the close of the accounting period to be in the principal office within ~~15~~ 25 days~~.~~ ~~A sample form will be provided by the banking division upon request.~~;

~~(b)~~ 2. copies of the corporate stock register~~.~~;

~~(c)~~ 3. copies of all corporate insurance policies and surety bonds ~~(~~, as required by ~~BD 122)~~. 4 MCAR S 1.0122;

~~(d)~~ 4. copies of the minutes of all the annual, regular, and special meetings of the board of directors and stockholders.

~~Subd. 3.~~ C. Retention period for legal instruments or records of payments. Unless otherwise provided, all legal instruments, supporting documents, and ledger cards or record of payments shall be maintained in the office for at least two years after recording the final entry ~~thereon~~ on them.

Renumbering. Renumber BD 100 as 4 MCAR S 1.0100; BD 104 as 4 MCAR S 1.0103; BD 106 as 4 MCAR S 1.0105; BD 109 as 4 MCAR S 1.0107; BD 121 as 4 MCAR S 1.0121; BD 122 as 4 MCAR S 1.0122; BD 123 as 4 MCAR S 1.0123; and BD 127 as 4 MCAR S 1.0124.

Repealer. Rules BD 102, BD 108, BD 124, BD 125, and BD 126 are repealed.

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

Agency: Department of Commerce RD284

Division: Banking Division

Agency Contact: Jim Miller

Rule Numbers: 4 MCAR SS 1.0101; 1.0102; 1.0104; 1.0106; and 1.0120

Title: Proposed Rules Governing Regulated Lenders

Type of Rules: Permanent

Incorporations by Reference: None
Rule Number: Material Incorporated:

Duplication of Statutory Language: None
Rule Number: Statutory Section Duplicated:

The attached rules are approved as to form.

Steven C. Cross
Revisor of Statutes

Paul M. Marinac
Assistant Revisor
Phone: 296-0948
Date: 10/15/82

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
BANKING DIVISION

In the Matter of the Proposed Amendments of the Rules Governing Regulated Lenders (Formerly Small Loan Lenders) and Industrial Loan and Thrift Companies

ORDER ADOPTING RULES

Notice of the Commissioner's intent to adopt the above-entitled rules without a public hearing was published in the State Register on November 1, 1982, and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, Section 15.0412, Subdivision 4, on November 9, 1982. After affording interested and affected persons an opportunity to submit comments for 30 days after Notice, receiving no written requests for a public hearing within the 30-day comment period, reviewing and considering the comments, and determining the need for and reasonableness of the above-captioned rules,

NOW, THEREFORE, IT IS ORDERED that these rules identified as 4 MCAR §§ 1.101 - 1.107 and 4 MCAR §§ 1.0120 - 1.0124 are adopted this 10th day of December, 1982, pursuant to authority vested in me by Minnesota Statutes, Section 46.01, Subdivision 2.

S E A L

Michael J. Pint
Commissioner of Banks

Department of Commerce
Banking Division

Notice of Intent to Solicit Outside Opinion Concerning Amendments to Rules Governing the Operation of Small Loan and Industrial Loan and Thrift Companies

Notice is hereby given that the Minnesota Department of Commerce, Banking Division, is soliciting information and opinions from sources outside the agency and is preparing to promulgate amendments to existing rules relating to small loan and industrial loan and thrift companies. Minn. Rules BD 100-109 and 120-127 are to be reviewed for any necessary or desirable modifications, with a particular view toward removing burdensome or unnecessary requirements and for consistency with recent legislative changes in the Regulated Loan Act, Minn. Stat. ch. 56 (Laws of 1981, ch. 258), as amended in 1982.

The State Banking Division requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing. Written statements should be addressed to:

Terry R. Meyer
Supervisor of Consumer Credit
Banking Division
500 Metro Square Building
Seventh and Robert Streets
St. Paul, Minnesota 55101
(612) 296-2132

All statements of information and comment shall be accepted until July 5, 1982. Any written material received by the State Banking Division shall become part of the record in the event that the rules are promulgated.

Michael J. Pint
Commissioner of Banks

Department of Employee Relations

Notice of Intent to Solicit Outside Opinion Regarding Proposed Rules Governing Personnel Administration

Notice is hereby given that the State Department of Employee Relations is seeking information or opinions from sources outside the agency in preparing to repeal existing rules and promulgate new rules governing personnel administration. The promulgation of these rules is based on the recodification of Minn. Stat. ch. 43 and is authorized by Minn. Stat. § 43A.04, subd. 3 (Supp. 1981), which requires the agency to promulgate rules "to implement the provisions of Chapter 43A which directly affect the rights of or processes available to the general public." The rules will include processes for determining the extent of competition for filling vacancies, recruiting applicants, conducting open competitive examinations, ranking candidates and maintaining competitive open eligible lists; certification and appointment of eligibles from competitive open eligible lists, the method for making noncompetitive and qualifying appointments and the process for designating temporary positions in the unclassified service and making appointments to the unclassified service. They will also include rules governing the statewide affirmative action program, relocation expenses and other authorized employee expenses and procedures for administering the code of ethics. The rules may also include other processes covered in Chapter 43A.

The State Department of Employee Relations requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing. Written statements should be addressed to:

Mark Sundquist
3rd Floor Space Center Building
444 Lafayette Road
St. Paul, Minnesota 55101

Oral statements will be received during regular business hours over the telephone at (612) 296-8933 and in person at the above address.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
BANKING DIVISION

In the Matter of the Proposed Amendments of the Rules Governing Regulated Lenders (Formerly Small Loan Lenders) and Industrial Loan and Thrift Companies

ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT PUBLIC HEARING

IT IS ORDERED this 19th day of October, 1982, that a Notice of Intent to Adopt Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the State Commerce Department, Banking Division, for that purpose and be published in the State Register.

S E A L

Michael J. Pint
Commissioner of Banks

STATE OF MINNESOTA)
)
COUNTY OF RAMSEY)

AFFIDAVIT OF MAILING

I, Peggy A. Ihde, being duly sworn, deposes and says that on this 9th day of November, 1982, at the City of St. Paul, County of Ramsey, State of Minnesota, I delivered the properly addressed envelopes containing the attached copy of the proposed amendments to rules governing the operation of regulated lenders and industrial loan and thrift companies to the mail room for the Department of Commerce, Fifth Floor, Metro Square Building. A copy of all persons and their addresses is attached.

Peggy A. Ihde

MARILYN F. STAPLES
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Comm. Expires June 18, 1987

Subscribed and sworn to before me this 9th day of November, 1982.

Marilyn F. Staples
Notary Public

Suburban Credit Plan
1701 North Snelling
St. Paul, Minnesota 55113

Avron L. Gordon
Peterson Engberg & Peterson
700 Title Ins. Bldg.
Minneapolis, MN 55401

Roger A. Peterson
Peterson Engberg & Peterson
700 Title Ins. Bldg.
Minneapolis, MN 55401

Jack G. Engberg
Peterson Engberg & Peterson
700 Title Ins. Bldg.
Minneapolis, MN 55401

J.F. Peters, Treas. & Gen. Mgr.
State Capitol Credit Union
95 Sherburne
St. Paul, MN 55103

Minn. League of Credit Union
575 University Avenue
St. Paul, MN 55103

Mn. Medical Assoc.
Suite 400
2221 Univ. Ave. S.E.
Mpls., Minnesota 55414

Lynn R. Gruber
Mn. Medical Assn.
900 American Nat'l. Bk. Bldg.
101 E. Fifth Street
St. Paul, MN 55101

John G. Horner
MN. Multi-Housing Assn.
3100 West Lake Street
Mpls., MN 55416

Wendy M. Borsheim
Mn. Retail Merchants Assn.
180 Metro Sq. Bldg.
St. Paul, MN 55101

Lance J. Johnson, Esq.
1500 Northwestern Nat'l. Bk.
St. Paul, Minnesota 55101

Minn. Consumer Finance Confe
2850 Metro Dr., Suite 507
Bloomington, MN 55420

Ron Marien
9604 13th Ave. So.
Bloomington, MN 55420

Carleton Financial Computations
1801 Commerce Drive
P. O. Box 570
South Bend, Indiana 46624

Federal State Reports, Inc.
5203 Leesburg Pike
Suite 1201 Baileys Crossroad
Falls Church, VA 22041

Independent Banks of MN
327 Plymouth Bldg.
12 South 6th Street
Minneapolis, MN 55402

J. T. Miller Company
Attn: Jerrold T. Miller
1000 Currie Avenue
Minneapolis, MN 55403

Charles A. Kroeger
QSS, Inc.
P. O. Box 838
Faribault, MN 55021

Kathleen P. Burek
Exec. Dir. LCRAR
Rm. 430, State Office Bldg.
St. Paul, Minnesota 55155

Jean Dawson,
Minn. Government Report
B-12 Press Room, State Capitol
St. Paul, MN 55155

Michael D. Johnson
Frundt, Frundt & Johnson
117 West 5th Street
Blue Earth, MN 56013

Peter S. Popovich
Peterson, Popovick, Knutson & Flynn
345 Cedar Bldg., Suite 800
St. Paul, MN 55101

State Bond & Mortgage Co.
David A. Peterson
100 North Minn. St.
New Ulm, Minnesota 56073

Charles A. Schaffer
Dept. of Energy Plan & Devel
480 Cedar St.
St. Paul, MN 55101

Conrad M. Fredin
811 First National Bank Bldg.
Duluth, MN 55802

B. J. Barto, Plant Mgr.
Midland Glass Co. Inc.
P. O. Box 69
Shakopee, MN 55379

Sam Ruhle
Office of Admin. Hearings
400 Summit Bank Bldg.
310 Fourth Ave. South
Minneapolis, MN 55415

John S. Jackson
General Counsel
Minn. Bankers Assn.
332 Baker Bldg.
Minneapolis, MN 55402

John A. Knapp, Esq.
Hessian, McKasy & Soderberg, PA
1500 Midwest Plaza Bldg.
Minneapolis, MN 55402

Susan J. Ladwig
900 Midland Bank Bldg.
Minneapolis, MN 55420

John M. Broeker
2850 Metro Drive, Suite 800
Minneapolis, MN 55420

Broeker, Hartfeldt, Hedges & Grant
2850 Metro Drive, Suite 800
Minneapolis, MN 55420

Paul J. Huber, Ltd.
1821 University Avenue
St. Paul, MN 55104

Joseph Sizer, Deputy Coms'r.
Minn. Dept. of Energy Plan. & Dev.
550 Cedar St.
101 Capitol Sq. Bldg.
St. Paul, Minnesota 55101

City Editor
Minneapolis Star/Tribune
425 Portland Ave.
Minneapolis, MN 55488

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Assoc. Bldrs. & Contracters
6300 Walker St. Suite 109
Minneapolis, MN 55416

Phillips Legislative Service, Inc
459 Rice St.
St. Paul, Minnesota 55103

Charles A. Kroeger
QSS, Inc.
P. O. Box 838
Faribault, MN 55021

Larry A. Bakken
Hamline Law School
1536 Hewitt
St. Paul, MN 55102

John Farmer, Exec. V.P.
Minn. Manuf. Housing Assn.
222 E. Little Canada Rd.
Suite 222
St. Paul, MN 55117

STATE OF MINNESOTA

COUNTY OF RAMSEY

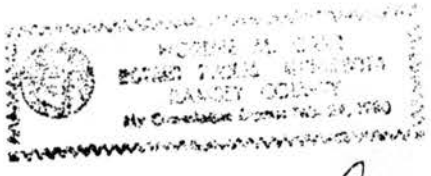
CERTIFICATE

In the Matter of the Proposed Amendments
of the Rules Governing Regulated Lenders
(Formerly Small Loan Lenders) and
Industrial Loan and Thrift Companies

I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minn. Stat. § 15.0412, Subd. 4, that their names be placed on file with and maintained by the State Department of Commerce, Banking Division, for the purpose of receiving notice of the proposed adoption of rules by this agency is accurate and complete as of 8:00 a.m., this 9th day of November, 1982.

Margaret Aune

Margaret Aune



1-6-83

PROPOSED RULES

Pursuant to Minn. Laws of 1980, § 15.0412 subd. 4h, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules;

and

4. that the rule may be modified if modifications are supported by the data and views submitted.

If, during the 30-day comment period, seven or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of § 15.0412, subds. 4 through 4g, which state that if an agency decides to hold a public hearing, it must publish in the *State Register* a notice of its intent to do so. This notice must appear at least 30 days prior to the date set for the hearing, along with the full text of the proposed rules. (If the agency has followed the provisions of subd. 4h and has already published the proposed rules, a citation to the prior publication may be substituted for republication.)

Pursuant to Minn. Stat. § 15.0412, subd. 5, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 20 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Commerce
Commissioner of Banks

Proposed Amendments to Rules Governing the Operation of Regulated Lenders (Formerly Small Loan Lenders) and Industrial Loan and Thrift Companies (Chapter 3: BD 100-109 and Chapter 4: BD 120-127)

Notice of Intent to Amend Rules without a Public Hearing

Notice is hereby given that the State Banking Division proposes to amend the above-entitled rules without a public hearing. The Commissioner of Banks has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes § 15.0412, subd. 4h (1980).

Persons interested in these rules shall have 30 days to submit comment on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes § 15.0412, subds. 4-4f. If a public hearing is requested, identification of the particular objection, the suggested modifications to the proposed language, and the reasons or data relied on to support the suggested modifications are desired.

Persons who wish to submit comments or a written request for a public hearing should submit such comments or request to: Terry R. Meyer, Supervisor of Consumer Credit, Banking Division, Department of Commerce, 500 Metro Square Building, St. Paul, Minnesota 55101, (612) 296-2135.

Authority to adopt these rules is contained in Minnesota Statutes §§ 46.01, subd. 2, and 56.21. Additionally, a statement of need and reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules has been prepared and is available for inspection by the public during regular hours, at the above address.

Upon adoption of the final rules without a public hearing, the proposed rules, this notice, the statement of need and reasonableness, all written comments received, and the final rules as adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as adopted, should submit a written statement of such request to Mr. Meyer.

The proposed amendments to these rules are necessary due to recent and material changes in the Minnesota Statutes, chs. 53 and 56, governing the operation of licensed Regulated Lenders (formerly small loan lenders) and industrial loan and thrift companies. These proposed amendments remove conflicts and possible sources of confusion in applying the newly enacted laws.

The proposed rules follow this notice.

September 16, 1982

Michael J. Pint

Rules as Proposed

~~CHAPTER THREE: BD 100-119~~
~~SMALL LOANS~~
LICENSED REGULATED LENDERS

~~BD 101~~ 4 MCAR § 1.0101 Maximum loan applies to multiple offices.

Licensees shall not induce or permit any borrower to become obligated, directly or contingently, for a total amount in excess of maximum limit stated in Minnesota Statutes, section ~~56.13~~ 56.131 on loans obtained from two or more licensed offices operated in Minnesota by the same individual, partnership, affiliated partnership, corporation, or affiliated corporation. Licensees shall take reasonable precautions to prevent borrowers from obtaining amounts in excess of the maximum limit in this manner.

~~BD 103~~ 4 MCAR § 1.0102 Licensees to be responsible for acts of assignees.

~~(a)~~ A. Notification. Within ten ~~(10)~~ days after the transaction date, licensees shall notify the commissioner of banks of the bulk purchase of loan accounts made pursuant to the Minnesota Regulated Loan Act from another licensee or person authorized by the Minnesota Regulated Loan Act to engage in this business without necessity of a license and of the bulk sale of loan accounts to another licensee or person authorized by the Minnesota Regulated Loan Act to engage in this business without necessity of a license. Notices of ~~such~~ the purchase and sale of accounts shall state the name and address of the ~~lender~~ licensee or person from whom accounts are being purchased, to whom accounts are being sold, and shall state the total number of accounts and the total outstanding principal balances involved.

~~(b)~~ B. Disposition of loan accounts to unlicensed persons. Licensees shall not make a bulk sale or otherwise dispose of loan accounts made pursuant to the Minnesota Regulated Loan Act to any person not ~~holding a license~~ licensed under or authorized to engage in this business without necessity of a license by the Minnesota ~~Small~~ Regulated Loan ~~Law~~ Act unless prior approval is obtained from the commissioner of banks. The privilege of ~~collecting~~ receiving the ~~rate of charge~~ charges allowed by the ~~Small~~ Minnesota Regulated Loan ~~Law~~ Act cannot be transferred to an unlicensed purchaser or purchaser not authorized to engage in this business without necessity of a license and all loans sold, assigned, or transferred to a nonlicensee or unauthorized person shall be endorsed to bear interest at a rate not to exceed ~~six (6) percent per annum after date of transfer~~ the maximum legal contract rate of interest. This paragraph does not apply to the transfer of loan accounts made pursuant to the Minnesota Regulated Loan Act which is involuntary or by operation of law.

~~BD 105~~ 4 MCAR § 1.0104 Transferred accounts.

The original ledger card or record of payments on any transferred ~~small~~ regulated loan must be retained in the transferring ~~small~~ licensed regulated loan office for at least two years from the date of transfer.

~~BD 107~~ 4 MCAR § 1.0106 Refund of unearned interest.

The refund of unearned precomputed ~~charges~~ interest shall be computed as of the next installment date on any ~~small~~ regulated loan prepaid in full by cash, a new loan, renewal, refinancing, or otherwise if prepaid when:

~~(a)~~ 1. 15 days or more have elapsed after a scheduled installment due date in any month where the actual number of days in the interval between the scheduled installment dates totals 28 or 29 days~~.~~; or

~~(b)~~ 2. 16 days or more have elapsed after a scheduled installment due date in any month where the actual number of days in the interval between the scheduled installment dates totals 30 or 31 days.

When fewer days than described in ~~(a)~~ 1. or ~~(b)~~ 2. have elapsed the refund shall be computed as of the prior due date.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

~~CHAPTER FOUR: BD 120-135~~
INDUSTRIAL LOAN AND THRIFT COMPANIES

~~BD 120~~ 4 MCAR § 1.0120 Books and records.

~~Subd. 1.~~ A. General requirements. In order to facilitate a satsifactory examination by the commissioner of banks or ~~his~~ the commissioner's representatives, each industrial loan and thrift company shall maintain:

~~(a)~~ 1. such books and records as are deemed necessary~~;~~; and~~,~~

~~(b)~~ 2. a monthly trial balance ~~in the form prescribed~~ as of the close of the accounting period to be in the branch office within ~~15~~ 25 days. ~~A sample form will be provided by the banking division upon request.~~

~~Subd. 2.~~ B. Additional requirements. The principal office of each industrial loan and thrift ~~corporation~~ company in this state shall maintain the following additional books and records:

~~(a)~~ 1. a consolidated monthly trial balance ~~in the form prescribed~~ as of the close of the accounting period to be in the principal office within ~~15~~ 25 days~~.~~ ~~A sample form will be provided by the banking division upon request.~~;

~~(b)~~ 2. copies of the corporate stock register~~;~~;

~~(c)~~ 3. copies of all corporate insurance policies and surety bonds ~~(~~, as required by ~~BD 122).~~ 4 MCAR § 1.0122;

~~(d)~~ 4. copies of the minutes of all the annual, regular, and special meetings of the board of directors and stockholders.

~~Subd. 3.~~ C. Retention period for legal instruments or records of payments. Unless otherwise provided, all legal instruments, supporting documents, and ledger cards or record of payments shall be maintained in the office for at least two years after recording the final entry ~~thereon~~ on them.

Renumbering. Renumber BD 100 as 4 MCAR § 1.0100; BD 104 as 4 MCAR § 1.0103; BD 106 as 4 MCAR § 1.0105; BD 109 as 4 MCAR § 1.0107; BD 121 as 4 MCAR § 1.0121; BD 122 as 4 MCAR § 1.0122; BD 123 as 4 MCAR § 1.0123; and BD 127 as 4 MCAR § 1.0124.

Repealer. Rules BD 102, BD 108, BD 124, BD 125, and BD 126 are repealed.

Minnesota Housing Finance Agency

Proposed Temporary Rules Governing Income Limits for the Rollover Housing Demonstration Program

Request for Public Comment

Notice is hereby given that the Minnesota Housing Finance Agency has proposed the following temporary rules for the purpose of setting income limits for the Rollover Housing Demonstration Program, pursuant to Laws 1981, Chapter 306, Section 3.

All interested persons are hereby afforded the opportunity to submit their comments on the proposed rule for 20 days immediately following publication of this material in the *State Register* by writing to Monte Aaker, Research Coordinator, Minnesota Housing Finance Agency, Suite 200, 333 Sibley Street, St. Paul, Minnesota 55101. The temporary rule may be revised on the basis of comments received. Any written material received shall become part of the record in the final adoption of the temporary rule.

James J. Solem
Executive Director

Temporary Rule as Proposed (all new material)

Chapter Eleven C: Rollover Housing Demonstration Program

12 MCAR § 3.1395 [Temporary] Definition. For the purpose of rollover housing demonstration program loans, "persons and families of low and moderate income" means those persons and families whose adjusted income does not exceed the amounts set forth in Exhibit 12 MCAR § 3.1395-1, or such lower amount as required to ensure that the interest on obligations of the agency will be exempt from federal income taxation. "Metropolitan area" has the meaning given it in Minnesota Statutes, section 473.121, subdivision 2.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
BANKING DIVISION

In the Matter of the Proposed Amendments
of the Rules Governing Regulated Lenders
(Formerly Small Loan Lenders) and
Industrial Loan and Thrift Companies

FINDINGS OF FACT
AND CONCLUSIONS

After affording interested persons an opportunity to present written and oral data, statements and arguments on the adoption of amendments to rules governing regulated lenders and industrial loan and thrift companies, and having considered all of the evidence brought forward for consideration in the records, files and proceedings herein, and having considered the recommendations of the Revisor's Office, I find the following:

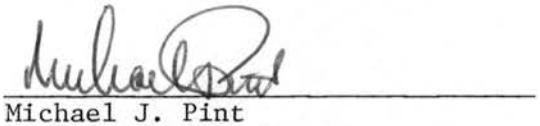
1. That the proposed amendments to rules published in the State Register on November 1, 1982, at 7 SR 668 have been fully published for at least 30 days and that during the period allowed for comment, no person submitted a written request for a hearing of the proposed rules.

2. That the two commenters to the Notice of Intent to Solicit Outside Opinion have been properly considered as recorded in the Statement of Need and Reasonableness of Proposed Amendments.

3. That the one commenter to the publication of the Notice of Proposed Amendments requested clarification of the Statement of Need and Reasonableness of Proposed Rules as it relates to 4 MCAR § 1.0106 (formerly BD 107). Commenter understood it to be the present regulatory practice to treat the day prepayment is received as a day that has lapsed. This understanding is correct and as it applies to the rule, it is consistent with Laws of 1982, Ch. 547, Section 6, effective August 1, 1982, to be codified as Minn. Stat. § 56.131, Subd. 1(f)3.

4. That all of the procedural requirements of law and rule have been satisfied in the adoption of noncontroversial rules.

Based on the foregoing, I conclude that the proposed amendments to the Rules Governing Regulated Lenders and Industrial Loan and Thrift Companies as published in the State Register, November 1, 1982, at 7 SR 668, are adopted.



Michael J. Pint
Commissioner of Banks

Dated: December 10, 1982

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
BANKING DIVISION

In the Matter of the Proposed Amendments to the Rules Governing Regulated Lenders (Formerly Small Loan Lenders) and Industrial Loan and Thrift Companies
Chapter 3: BD 100-109 and
Chapter 4: BD 120-127

STATEMENT OF NEED AND REASONABLENESS OF PROPOSED AMENDMENTS

STATEMENT OF AUTHORITY

Minn. Stat. § 46.01, Subd. 2 (1980), provides that the Commissioner of Banks has the power to promulgate rules as necessary to administer or execute the laws relating to financial institutions subject to his supervision or examination. Industrial loan and thrift companies are organized pursuant to Minn. Stat. Ch. 53 and are subject to the constant supervision and examination as directed in Minn. Stat. §§ 46.04, Subd. 1, and 53.09, Subd. 1. In the case of Regulated Lenders, formerly known as Small Loan Companies, their examination and supervision is required by Minn. Stat. § 56.10, as amended. The enforcement of Minn. Stat. Ch. 56, The Minnesota Regulated Loan Act, by the Commissioner of Banks by making general rules is provided for in Minn. Stat. § 56.21. The above-captioned amendments are proposed by the Commissioner pursuant to this authority.

On May 24, 1982, the Commissioner published Notice of Intent to Solicit Outside Opinion regarding the proposed amendments (6S.R. 1985).

FACTS ESTABLISHING NEED AND REASONABLENESS

As more specifically stated below, the proposed amendments are needed in order to remove conflicts and possible sources of confusion in the existing rule due to recent and material changes in the former Small Loan Act and Industrial Loan and Thrift Act. The Regulated Loan Act, Minn. Stat. Ch. 56

and the Industrial Loan and Thrift Acts, Minn. Stat. Ch. 53, were broadly recodified by Laws of 1981, Ch. 258, and Laws of 1982, Ch. 547. The operations and associated lending powers were revised, eliminating many of the statutory provisions on which existing rules, Chapter 3: BD 100-109 and Chapter 4: BD 120-127 were adopted. Without these amendments and repealer, the rules will remain a source of confusion and conflict so as to be unenforceable and disservice to the industries involved.

4 MCAR §§ 1.0101-1.0107 as assigned to the Department of Commerce, Banking Division replaces the former codification of Chapter Three, Small Loans (formerly BD 100-109). The title is changed to Licensed Regulated Lenders to correspond to Minn. Stat. Ch. 56 which replaces the Small Loan Act and is titled Minnesota Regulated Loan Act (Laws of 1982, Ch. 547, Sect. 4, effective August 1, 1982).

4 MCAR § 1.0101 (formerly BD 101) is an existing rule which is consistent with the Minnesota Regulated Loan Act except for the citation of reference to Minn. Stat. § 56.13 which should be 56.131 effective August 1, 1981 under Laws of 1981, Ch. 258, Sect. 11 and 23.

4 MCAR § 1.0102 (formerly BD 103) is an existing rule dealing with the reporting to and need for approval by the Commissioner of Banks when a licensee sells or purchases loans made under the Minnesota Regulated Loan Act. Laws of 1981, Ch. 258, Sections 2, 3 and 20, amended the application and necessity of a license provision authorizing Industrial Loan and Thrift Companies to engage in the business of making Regulated Loans as permitted by Ch. 56, Minn. Stat. without a license. Also, other supervised financial institutions including commercial banks, savings and loan associations and trust companies are exempt from the licensing requirements.

As a result, the potential for purchase or sale of existing regulated loans by other persons than licensees exist. This amended rule (Para. A & B)

acknowledges the statutory amendments effective August 1, 1981 and provides control and reporting of these transactions for purposes of enforcement of the consumer protection aspects of the Minnesota Regulated Loan Act.

In response to outside opinion received as a result of the published notice, a provision of existing rule in Paragraph B is amended. The limitation of the interest rate on regulated loans acquired by a non-licensee or non-authorized person was 6 percent per annum. This is the lawful rate under Minn. Stat. § 334.01 in the absence of a contract. The commenter argued soundly that there exists a contract in each such loan and that the limitation was arbitrary and inconsistent with reasonable application of law. The amended language is consistent with § 334.01 where a contract is made.

Commenters also argued that the application of the maximum lawful contract rate and requirement for approval in Paragraph B should only apply to voluntary assignments of Regulated Loans to non-licensees or other unauthorized purchasers. Transfers resulting from involuntary transactions by virtue of legal process, foreclosure, etc., should not result in decreasing the value of the contracts or a windfall to the borrower. It appears necessary and reasonable that this exception be made clear.

4 MCAR § 1.0104 (formerly BD 105) is an existing rule relating to the maintenance of records by licensees following transfers of loans to others. The only changes are to remove the obsolete references to small loan and substitute current regulated loan act terminology authorized by Laws of 1982, Ch. 547, Sect. 4, effective August 1, 1982.

4 MCAR § 1.0106 (formerly BD 107) is an existing rule clarifying the calculation of lapsed periods of time for refunds of precomputed interest upon prepayment or refinancing. The only changes are to remove obsolete or confusing language inconsistent with the provisions of Laws of 1981, Ch. 258, Section 1, Subd. 5, and Section 11, Subd. 1(e)(2), effective August 1, 1981, Laws of 1982, Ch. 547, Sect. 6, effective August 1, 1982.

4 MCAR § 1.0120-1.0124 as assigned to the Department of Commerce, Banking Division, replaces the former codification of Chapter Four, Industrial Loan and Thrift Companies (formerly BD 120-127).

4 MCAR § 1.0120 (formerly BD 120) is an existing rule relating to the requirement that certain books and records be maintained at both principal and branch offices. Minn. Stat. § 53.09, Subd. 1, provides for the same authority as in the examination of banks which includes the powers detailed in § 46.04, Subd. 1, as to requirements for records as he deems necessary to facilitate the carrying out of his duties. The requirement in the existing rule allowing 15 days following the date of month end closing is reported to be a hardship in one response to the Notice of Intent. Also, the requirement of a form has been to supply a balance sheet and operating statement, not a trial balance.

The same balance sheet and operating statement is required in compliance with the annual reporting in Minn. Stat. § 53.09, Subd. 2, which is not due until 30 days following the close of year end. This is a conflict between the statute and existing rule where the same form is required.

If a trial balance of the general ledger is required not the special format of the Banking Division, this common accounting should be available within 25 days. It is recommended that the form requirement be deleted and a middle ground 25 days for examination purposes be acceptable. This also removes the conflict with the statutory requirement of 30 days for a similar form under the existing rule.

Repealer

BD 102(a) is an existing rule which provides for a limitation of a 36-1/2 month maturity for former small loans. With the enactment of Laws of 1981, Ch. 258, Minn. Stat. § 56.13 was repealed removing any limitation in maturity under the Minnesota Regulated Loan Act effective August 1, 1981.

This existing rule is in direct conflict with the amended Ch. 56 and should be repealed.

BD 102(b) is also in conflict with the recodified Minn. Stat. Chapter 56 as equal monthly installments are no longer required for interest bearing loans. Laws of 1981, Ch. 258, § 1, Subd. 6, provides that an interest bearing loan may require repayment of principal "from time to time". Also, § 11, Subd. 1, paras. (d) and (e) make the same determination as well as differentiating repayment terms between interest-bearing and precomputed loans. Precomputed loans require substantially equal and consecutive monthly installments while interest bearing are called for "from time to time". There is no reason to retain the limitation in the existing rule for precomputed loans. The rule should therefore be repealed as obsolete and in conflict with law since August 1, 1981.

BD 108 is an existing rule which provides the method for refunding credit insurance premiums collected in connection with former small loans. With the enactment of Laws of 1981, § 14, insurance in connection with regulated loans became subject to the provisions of Minn. Stat. § 62B. Under these circumstances, the rule is obsolete, in conflict with the law effective August 1, 1981 and should be repealed.

BD 124 is an existing rule relating to loans made by industrial loan and thrift companies under the special powers in former Minn. Stat. § 53.04, Subds. 3 and 4. Those powers were repealed by Laws of 1981, Ch. 258, § 23, thereby removing the investigation charges and handling charges limited by this rule. Industrial loan and thrift companies now have authority and are governed by the Minnesota Regulated Loan Act under the provisions of amended special powers, Laws of 1981, Ch. 258, § 20, effective August 1, 1981. No investigation charges or handling charges are authorized unless provided for in the Minnesota Regulated Loan Act. Therefore, this rule is obsolete and to avoid confusion with current law should be repealed.

BD 125 is an existing rule relating to loans made by industrial loan and thrift companies under the special powers in former Minn. Stat. § 53.04, Subd. 3. Those powers were repealed by Laws of 1981, Ch. 258, § 23, thereby removing the certificate of indebtedness on which installment repayment was required. Industrial loan and thrift companies now have authority and are governed by the Minnesota Regulated Loan Act under the provision of amended special powers, Laws of 1981 § 20 effective August 1, 1981. Repayment terms and rates of charge are specifically controlled by Laws of 1981, Ch. 258, § 11, which provides for adjustments in first installment periods. Therefore, this rule is obsolete and to avoid confusion with current law should be repealed.

BD 126 is an existing rule relating to loans made by industrial loan and thrift comapnies under the special powers in former Minn. Stat. § 53.04, Subd. 3. Those powers were repealed by Laws of 1981, Ch. 258, § 23, effective August 1, 1981, thereby removing the investigation charges subject to the refund provisions in this rule. Therefore, this rule is obsolete and to avoid confusion with current law should be repealed.

CONCLUSION

For the reasons stated above, it is in the best interests of the licensed regulated loan companies, industrial loan and thrift companies and those consumers utilizing their services to remove the confusion and conflicts with existing law. Furthermore, these amendments are noncontroversial and time is of the essence as amended laws have been in final effect since August 1, 1982. It is believed to be clear that the proposed amendments reasonably effectuate the above stated need.

Michael J. Pint
Commissioner of Banks

In the Matter of the Proposed Amendments
of the Rules Governing Regulated Lenders
(Formerly Small Loan Lenders) and
Industrial Loan and Thrift Companies

STATEMENT OF COMPLIANCE
WITH RULEMAKING
PROCEDURES

I, Jacqueline P. Taylor, Special Assistant Attorney General, do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedures Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

1/7/83

Jacqueline P. Taylor
Special Assistant Attorney General