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A BILL FOR AN ACT

To further amend title 34 of the Code of the Federated States of Micronesia, as amended by Public Law No. 7-135, by amending section 203, as amended by Public Law No. 7-135, for the purpose of exempting from the 15 percent interest limitation, all consumer credit transactions that in the aggregate total less than the principal sum of \$300, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Section 203 of title 34 of the Code of the Federated States of
2 Micronesia, as amended by Public Law No. 7-135, is hereby further amended to
3 read as follows:

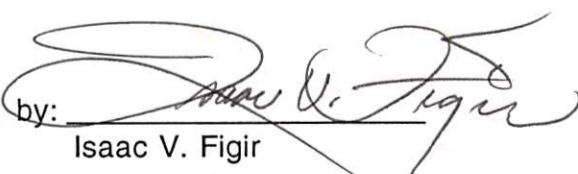
4 "Section 203. Consumer credit transactions.

5 (1) In consumer credit transactions, no person may directly or
6 indirectly receive or charge interest which exceeds an annual
7 percentage rate of ~~15~~ fifteen percent; provided, however, that in
8 consumer credit transactions in which the total aggregate
9 outstanding principal sum of all such credit transactions between the
10 same parties in any consecutive six month period totals less than
11 \$300, no person may directly or indirectly receive or charge interest
12 which exceeds an annual percentage rate of 30 percent.

13 (2) Nothing contained in this section shall prevent a creditor from
14 charging and receiving, in addition to interest permitted by this
15 section, a processing fee with respect to the transaction, not to
16 exceed \$25, or a late charge on all or any portion of any payment
17 due on a consumer credit transaction which is unpaid after fifteen
18 days from the due date of the payment, provided that such late
19 charge shall not exceed five dollars or five percent of the amount
20 overdue, whichever is less, on any payment."

21 Section 2. This act shall become law upon approval by the President of
22 the Federated States of Micronesia or upon its becoming law without such
23 approval.

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25 Date: 11-13-95

Introduced by: 
Isaac V. Figir