

**Chapter S-L 8****INTEREST RATES AND OTHER CHARGES  
IN EFFECT****S-L 8.01 Interest rates and other charges in effect**

**S-L 8.01 Interest rates and other charges in effect.** The following interest rates and other charges by savings and loan associations shall be in effect: (1) **INTEREST RATES ON MORTGAGE LOANS.** (a) The interest rate on mortgage loans shall not exceed the rate set by the board of directors of the association.

(b) The interest charges on mortgage loans to be computed at the rate and in accordance with the method prescribed in the mortgage note.

(c) The directors may in their discretion elect to charge interest on mortgage loans either as the funds are disbursed or from the date that the initial loan disbursement is made.

(d) No savings and loan association may increase the rate of interest charged on any mortgage loan unless the note evidencing the debt contains a provision which specifically states that the association may do so. All terms, conditions, and procedures of such increase in rate shall be included in the note as contained in the statutes.

(2) **INTEREST RATE ON SAVINGS ACCOUNT LOANS.** The interest rate on savings account loans shall not exceed the rate of 1½% per annum in excess of the current rate of earnings distribution on the savings accounts pledged.

(3) **INTEREST RATE ON PROPERTY IMPROVEMENT LOANS.** (a) The interest rate on property improvement loans shall not exceed the rate set by the board of directors of the association.

(b) The directors of the association may elect to charge interest either on a discount, gross charge or diminishing unpaid loan balances.

(4) **INTEREST RATE ON REAL ESTATE CONTRACTS.** (a) The interest rate on real estate contracts shall not exceed the rate set by the board of directors of the association.

(b) The interest charges on real estate contracts to be computed at the rate and in accordance with the method prescribed in the real estate contract instrument.

(5) **PREMIUMS, DISCOUNTS AND COMMISSIONS ON MORTGAGE LOANS.** Premiums, discounts and commissions may be charged in such amounts as set by the board of directors.

(6) **RECLASSIFICATION CHARGES ON EXISTING MORTGAGE LOANS.** A reclassification charge, not in excess of 2% of the unpaid mortgage loan balance, may be charged in instances where the interest rate on the mortgage loan was decreased.

(7) **SERVICE CHARGES ON CHANGE OF OWNERSHIP OF MORTGAGED PREMISES.** Upon proper presentation of evidence of change of title of

the mortgage security, a service charge not to exceed 1% of the original amount of the mortgage loan granted by the association may be charged on any mortgage loan assumed by a purchaser of real estate. In the event the purchaser fails to pay the service charge, then the said service charge may be added to the unpaid balance of the mortgage loan.

**History:** Cr. Register, January, 1964, No. 97, eff. 2-1-64; cr. (1) (d), Register, April, 1968, No. 148, eff. 5-1-68.