

Bill No. 76 of 1953

A BILL REQUIRING CERTAIN MATTERS TO BE SET
FORTH IN A DOCUMENT EVIDENCING THE LOAN
OF MONEYS TO INDIVIDUALS

NOTE

This Bill enacts a new Act to be known as "*The Loan Agreements Act*".

It provides that a loan agreement made after the 1st day of July, 1953, is null and void unless the loan agreement sets out in printing or writing certain particulars concerning the loan of money or credit advance which the loan agreement evidences. The Act applies to loans of money or credit advances by loan companies to individuals. Loan companies are those, other than banks, mortgage companies and insurance companies, which lend money to individuals, finance the purchase of commodities by individuals, or sell commodities to individuals upon credit advances by way of loan agreements.

This Bill comes into force on the 1st day of July, 1953.

J. W. RYAN,
Acting Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 76 of 1953

An Act requiring Certain Matters to be Set Forth in a Document Evidencing the Loan of Moneys to Individuals

(Assented to , 1953)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

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| Short title | 1. This Act may be cited as " <i>The Loan Agreements Act</i> ". |
| Interpretation
"loan agreement" | 2. In this Act, unless the context otherwise requires,
(a) "loan agreement" means a chattel mortgage, lien note, agreement, bill of sale, conditional sale agreement, contract or any other document, instrument or memorandum in writing evidencing
(i) the loan of money, or
(ii) the advancement of credit by a loan company to an individual; |
| "loan company" | (b) "loan company"
(i) means any person, association of persons, partnership, firm, company or corporation in the business of
(A) lending money to individuals,
(B) financing the purchase of commodities or real property by individuals,
(C) selling commodities to individuals upon a loan agreement with the individual purchasing a commodity whereby credit is advanced by the vendor for the purchase of the commodity,
(ii) but does not include
(A) a bank incorporated under the <i>Bank Act</i> (Canada), or
(B) a mortgage company engaged solely in lending money upon the security of real property, or
(C) an insurance company. |
| Validity of agreement | 3. A loan agreement made after the first day of July, 1953, is null and void unless the loan agreement
(a) sets out
(i) the amount of money loaned or credit advanced, |

- (ii) the amount of money or credit actually received by the borrower,
- (iii) the percentage of gross profit made or to be made by the loan company on the money loaned or credit advanced computed on an annual basis as a percentage of the money or credit actually received by the borrower,
- (iv) the total of the amount of money or credit required to be repaid by the borrower,
- (b) itemizes any fees or service charge, or any costs which the borrower is required to pay separately or as part of the repayments, or which is or is to be deducted from the amount of the money loaned or credit advanced by the loan company,

in printing or in writing not less prominent than any other printing or writing in the agreement and in any case not less than ten point printing.

4. This Act comes into force on the first day of July, ^{Coming into}
1953. _{force}

**FIRST SESSION
TWELFTH LEGISLATURE
2 ELIZABETH II**

1953

BILL

An Act requiring Certain Matters
to be Set Forth in a Document
Evidencing the Loan of Moneys
to Individuals.

Received and read the

First time

Second time.....

Third time.....

HON. MR. MAYNARD.
