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S.F. No. 3932 - Interest rates for consumer loans made in Minnesota

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Section 525 of the federal Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221 allows for states to adopt a law that states that the state does not want certain amendments to apply to loans made within the state.

S.F. 3932 states the state of Minnesota does not want to prescribe to amendments made to the Federal Deposit Insurance Act, the Federal National House Act, and the Federal Credit Union Act as they relate to interest rates for consumer loans made in Minnesota. A consumer loan is considered to be made in Minnesota if the borrower is a resident and the borrower completes the transaction while physically located in Minnesota.

The bill allows out of state banks or out of state credit unions to contract for and receive a finance charge at a rate allowed by their home state, if that rate exceeds 18 percent per year.