part of Section 2 of the Retail Installment Sales Act of 1935 which requires the retail seller to deliver to the retail buyer at the time of its execution a copy of the contract. The duty to deliver such copy is the obligation of the retail seller prescribed in plain and unambiguous terms.


For a statement as to the penalties for violation of any of the provisions of the Act, you are respectfully referred to Section 29 which provides as follows:

"Violation of Act—Punishment. Any person who willfully violates any of the provisions of this Act, or the rules and regulations promulgated by the department under the authority hereof or any person who willfully in any report or account filed in pursuance of any provision of this Act or rule or regulation of the department makes any untrue statement of a material fact or omits to state any material fact necessary to give the department the information lawfully required by it, shall upon conviction, be fined not more than one thousand dollars or imprisoned not more than one year or both."


September 19, 1936.

Hon. Homer O. Stone,
Supervisor, Division of Small Loans,
Department of Financial Institutions,
Indianapolis, Indiana.

Dear Sir:

I have before me your letter requesting an official opinion in answer to the following question:

"An Indiana corporation is licensed under the Small Loan and Retail Installment Sales Act. During the regu-
lar course of business an automobile contract is pur-
chased from a retail dealer. The purchaser of the car
being unable to meet the specified payments requests
a reduction of such payments. The finance company
rebates to the purchaser the unused portion of the
finance charge as set forth by the Commission for Fi-
nancial Institutions, and renews the unpaid balance (to
which has been added another finance charge) on a
chattel mortgage form which provides for interest at
8% per annum after maturity. The accounts herein
referred to are in excess of $300. Is this company vi-
olating the Small Loan Act, which prohibits the making
of loans in excess of $300, the Retail Installment Sales
Act, which does not provide for the making of loans,
or the usury statute, which prohibits the collection of
interest in excess of that rate permitted by the
state?"

If I understand your question I think it is quite clear that
the transaction described violates the usury statutes of the
state which limits contracts for the payment of interest ex-
cept contracts of corporations to 8% per annum.

Burns Indiana Statutes Annotated (1933), Section

While your question does not indicate the amount of the
second finance charge, the 8% interest assumed is charged
upon that as well as upon the actual loan.

The question as to whether the licensee in this case is also
violating the Small Loan Act is involved in some difficulty al-
though it seems to me that if he is charging more than 8%
per annum for a loan in excess of $300.00 he would be vi-
olating Section 2 of the Small Loan Act.

See Burns Indiana Statutes Annotated (1933),
Section 18-3002.

It is not apparent that there is any violation of the Retail
Installment Sales Act.