

Scratch Financial, Inc.
Alaska Rate and Fee Schedule

This Rate and Fee Schedule of all Accounts sets forth certain conditions, rates, fees and charges applicable to your accounts at Scratch Financial, Inc. This schedule is incorporated as part of your account agreement with Scratch Financial, Inc.

Alaska Disclosure AS 06.20.230 – AS 06.20.260

Sec. 06.20.230. Maximum interest permitted.

(a) A licensee may lend any sum of money not exceeding \$25,000 and may charge, contract for, and receive on the loan interest at a rate not exceeding three percent a month on that part of the unpaid principal balance of a loan not in excess of \$850; two percent a month on the unpaid principal balance exceeding \$850 but not exceeding \$10,000; and at a rate agreed by contract on the remainder of any unpaid principal balance exceeding \$10,000 but not exceeding \$25,000.

(b) Notwithstanding the provisions of (a) of this section, a licensee who makes open-end loans under this chapter may charge, contract for, and receive interest at a rate not exceeding three percent a month on that part of the unpaid principal balance of a loan not in excess of \$850; two percent a month on the unpaid principal balance exceeding \$850 but not exceeding \$10,000; and at a rate agreed by contract on the remainder of any unpaid principal balance exceeding \$10,000 but not exceeding \$25,000.

(c) Interest on loans under (b) of this section shall be computed according to the actuarial method on the entire unpaid principal balance as determined under [AS 06.20.285\(b\)](#).

Sec. 06.20.240. Loans for purpose of obtaining higher interest.

A licensee may not induce or permit a person, or a husband and wife jointly or severally, to split up or divide a loan or to become obligated, directly or contingently or both, under more than one loan contract at the same time, for the purpose or with the result of obtaining a higher rate of interest than would otherwise be permitted by [AS 06.20.230](#). However, a licensee may enter into new or different loan transactions with the borrower or the borrower's spouse at a different time so long as the purpose of the additional transaction does not violate this section.

Sec. 06.20.250. Payments and interest.

(a) Interest may not be paid, deducted, or received in advance. Except for open-end loans made under [AS 06.20.285](#), interest shall be

computed and paid only on unpaid principal balances and may not be compounded; however, if part or all of the consideration for a loan contract is the unpaid principal balance of a prior loan, the principal amount payable under the loan contract may include any unpaid charges on the prior loan that have accrued within 60 days before the making of the loan contract. The maximum interest permitted on loans made under this chapter shall be computed on the basis of the number of days actually elapsed. For the purpose of these computations a month is any period of 30 consecutive days.

(b) A licensee may compute interest for a loan as provided in this chapter on an interest-bearing or actuarial basis either at the rates stated in [AS 06.20.230](#) or at the single annual percentage rate that would earn the same finance charge as the rates stated in [AS 06.20.230](#) when the debt is paid according to the agreed terms and the calculations made according to the actuarial method.

(c) Except for open-end loans under [AS 06.20.285](#), a licensee may not enter into a contract for a loan that provides for a scheduled repayment of principal over more than the maximum terms set out below opposite the respective size of loans.

Principal amount of loan	Maximum term
up to \$1,000.....	24 and 1/2 months
....	
Over \$1,000 to \$2,500.....	48 and 1/2 months
Over \$2,500 to \$5,000.....	60 and 1/2 months
Over \$5,000 to \$25,000.....	as agreed to by the parties

(d) Loan contracts must provide for substantially equal payments, and the payments must be due at least once a month, with the first payment beginning not later than 45 days from the date the loan is made.

(e) If the irregular payment is confirmed in writing by the borrower, and the method of repayment is consistent with the maximum term and annual interest rate provided in this chapter, and if a borrower demonstrates sufficient seasonal or extraordinary income to support repayment of a loan, the loan contract may provide for irregular payments and first payment extensions greater than 45 days from the date the loan is made.

Sec. 06.20.260. Charges prohibited.

(a) A further or other charge or amount for an examination, service, brokerage commission, expense, fee, bonus, or other thing may not be directly or indirectly charged, contracted for, or received except

(1) lawful fees actually paid out by the licensee to a public officer for filing, recording, or releasing any instrument securing the loan, or premiums payable for insurance in lieu of perfecting a security interest if the premiums do not exceed the fees that would otherwise normally be incurred for perfecting, filing, recording, and releasing the security interest, or for transferring certificate of title to a motor vehicle securing the lien or noting a lien on that certificate;

(2) premiums actually paid out for insurance on any one or combination of the following: pledged property of the borrower, or consumer credit insurance; in this paragraph, "consumer credit insurance" has the meaning given in [AS 21.57.160](#);

(3) taxable costs and expenses to which the licensee becomes entitled under general law in any court proceedings to collect a loan or to realize on the security after default;

(4) for loans of \$10,000 or less that are secured by an interest in real estate, reasonable costs and fees paid by a licensee for appraisals, surveys, and title insurance or reports;

(5) for loans over \$10,000, whether or not secured by an interest in real estate, reasonable costs and fees paid by a licensee for appraisals, surveys, title insurance or reports, and credit reports;

(6) a late payment fee of not more than 10 percent of the payment that is due or \$25, whichever is less;

(7) a fee for dishonored checks not to exceed \$25 for each dishonored check;

(8) reasonable attorney fees, actual expenses, and costs incurred in connection with the collection of a delinquent debt or a foreclosure if the collection or foreclosure is referred to an attorney who is not a salaried employee of the licensee and the balance then owing on the debt exceeds \$5,000;

(9) actual expenses and costs incurred in connection with a repossession.

(b) A licensee may collect the charges permitted under (a) of this section at the time when the loan is made or at any time thereafter. If any interest, consideration, or charges in excess of those permitted by [AS 06.20.230](#) are charged, contracted for, or received, except as the result of an accidental and bona fide error in computation, the contract of loan is modified as follows: all interest, consideration, or charges involved are voided and a like amount credited to the debtor on the principal of the loan. If the unpaid principal is less than the total of the interest, consideration, and charges, the difference shall be refunded by the lender to the borrower.

Transaction Fees:

****Online Statements: no charge**

****Pay by phone Fee: no charge**

****Mailed Statements: no charge**

****Pay by direct: no charge**

****Wire Payment: not available**

****Payment by Check: no charge**

Scratch Financial, Inc. does not charge any prepayment penalties.

Scratch Financial, Inc. does not charge any deferred or hidden interest fees.