PART III

Building and Loan Associations

CHAPTER 17. REGULATION
Omitted.

CHAPTER 18. TAXATION
Omitted.

CHAPTER 19. POWERS AND CONDUCT OF BUSINESS
Omitted.

CHAPTER 20. MERGER, CONSOLIDATION OR CONVERSION
Omitted.
PART IV
Other Businesses Under Jurisdiction
of State Banking Department

CHAPTER 21. SMALL LOANS

§ 2101. Certificate of registration required.

Every person, trustee, trustee system or combination of persons desiring to transact the business of making small loans or loaning money as provided in this chapter shall apply to the State Bank Commissioner for a certificate of registration. (23 Del. Laws, c. 149, § 1; Code 1915, § 3554; 36 Del. Laws, c. 260, § 1; Code 1935, § 4045; 45 Del. Laws, c. 236, § 1; 5 Del. C. 1953, § 2101.)

§ 2102. Requirements and fee for certificate of registration.

Every application for a certificate of registration shall be in writing on such form and containing such information as the State Bank Commissioner provides. Every applicant for the certificate of registration shall have in the State a definite and fixed office and place of business. Each applicant for the certificate of registration shall pay to the State Bank Commissioner a registration fee of $250 which fee shall accompany the application and shall not be refundable. (23 Del. Laws, c. 149, § 1; Code 1915, § 3554; 36 Del. Laws, c. 260, § 1; Code 1935, § 4045; 45 Del. Laws, c. 236, § 1; 5 Del. C. 1953, § 2102: 49 Del. Laws, c. 118; 60 Del. Laws, c. 268, § 16.)

§ 2103. Location of place of business and term of registration.

Every certificate of registration issued by the State Bank Commissioner shall state the intended place of business of the applicant and shall authorize the transaction of such business for the period terminating on the last day of December next following the date of the issuance at the office or place of business set forth in the application, and at no other place or location. The Commissioner may issue more than 1 certificate of registration to the same applicant upon payment of the required fees and compliance with all applicable provisions of law. (23 Del. Laws, c. 149, § 1; Code 1915, § 3554; 36 Del. Laws, c. 260, § 1; Code 1935, § 4045; 45 Del. Laws, c. 236, § 1; 5 Del. C. 1953, § 2103; 62 Del. Laws, c. 75, § 1.)
§ 2104. Renewal of certificate.

Every holder of a certificate of registration or a renewal certificate, as provided for in this section, desiring to continue the transaction of the business of making small loans or loaning money as provided for in this chapter, shall at least 30 days prior to the expiration of such certificate of registration or renewal thereof make application to the State Bank Commissioner on forms to be provided by the Commissioner for a renewal certificate and shall pay to the Commissioner for the use of the State an annual license fee of $100. (23 Del. Laws, c. 149, § 1; Code 1915, § 3554; 36 Del. Laws, c. 260, § 1; Code 1935, § 4045; 45 Del. Laws, c. 236, § 1; 5 Del. C. 1953; § 2104; 51 Del. Laws, c. 28; 60 Del. Laws, c. 268, § 17.)

§ 2105. Refusal, cancellation or revocation of certificate.

For just cause, the State Bank Commissioner may refuse to issue a certificate of registration or renewal thereof.

In the event of any holder of a certificate of registration or of a renewal certificate violating any of the provisions of this Code or any other statutes of the State, the Commissioner may cancel and revoke any such certificate of registration or renewal certificate. (23 Del. Laws, c. 149, § 1; Code 1915, § 3554; 36 Del. Laws, c. 260, § 1; Code 1935, § 4045; 45 Del. Laws, c. 236, § 1; 5 Del. C. 1953, § 2105.)

§ 2106. Record of applications and certificates; contents; evidence.

The State Bank Commissioner shall keep a complete record of all applications received and of all certificates of registration granted by him. The record shall contain the name and address of every person to whom such certificate is granted; and if such certificate is granted to an association, firm, partnership, trustee or trustee system, or to any other association or combination of persons not incorporated, the record shall contain the names and addresses of the individuals composing the same; and if the certificate is granted to a corporation, the record shall contain the names and addresses of the president, secretary and treasurer of such corporation. The record, or a certified copy thereof, shall be competent evidence in any court where the fact of such registration, or any other fact therein contained, is in question. (23 Del. Laws, c. 149, § 2; Code 1915, § 3555; 36 Del. Laws, c. 260, § 1; Code 1935, § 4046; 5 Del. C. 1953, § 2106.)

§ 2107. Supervision and examination of business by Commissioner.

(a) Every person, trustee, trustee system or combination of persons transacting the business of making small loans or loaning money, as provided in this chapter, in the State shall be subject to the supervision and examination of the State Bank Commissioner and shall be examined by
the Commissioner at least once in each year and oftener if the Commissioner deems it necessary.

(b) On the occasion of every examination, the Commissioner shall be given access to every part of the office or place of business visited and to the assets, securities, books and papers of the business.

(c) The examination made by the Commissioner shall be a thorough examination into the affairs of the small loan business visited, the resources and liabilities, the investment of the funds, the mode of conducting the business and the compliance or noncompliance of the small loan business with this Code and any other statutes of the State; and in connection with such examination the Commissioner may examine, under oath or affirmation, any and all persons connected with or associated with the small loan business, and for this purpose he may administer oaths and affirmations.

(d) Any examination under this section may be made by the State Bank Commissioner in person or by his deputy, or his clerk or clerks, or by special persons designated by him, when so authorized by the Commissioner and acting under his orders. The Commissioner, his deputy or clerk, before proceeding with any such examination shall, if requested so to do, exhibit satisfactory evidence of his authority to make such examination. (23 Del. Laws, c. 149, § 1; Code 1915, § 3554; 36 Del. Laws, c. 260, § 1; Code 1935, § 4045; 45 Del. Laws, c. 236, § 1; 5 Del. C. 1953, § 2107.)

§ 2108. Requirements as to Loans, Interest and other Charges and Terms; Deferments, Prepayments and Refinancing.*

(a) The holder of any certificate of registration from the State Bank Commissioner, granted pursuant to this chapter, and any state bank or trust company organized under this Code or any other laws of this State, or any national bank (without obtaining such certificate of registration) may lend money to any person, firm or corporation in any sum not exceeding $500, to be repaid in periodic installments, taking the obligation of the borrower therefore, with any security that may be acceptable to the lender. Any such association, firm, partnership or corporation having a paid-in capital which is not subject to withdrawal and which shall exceed $10,000, may make such loans in amounts to any one borrower in excess of $500, but not exceeding 10% of the paid-in capital stock and surplus of such lender. Loan repayments may be in weekly, monthly or other periodic installments, with the right of the lender to declare the entire unpaid balance due and payable in the event of default in the payment of any installment for a period of 30 days. On any loan made pursuant to this section, the lender may charge and collect interest in respect thereof at such daily, weekly, monthly, annual or other periodic percentage rate or rates and may calculate such interest by way of simple interest or such
other method as the agreement governing the loan provides. No charge in
addition to such interest may be imposed except as hereinafter in this
section provided.

(b) On any loan made pursuant to this section, the lender may at
any time or from time to time permit a borrower to defer installment
payments of the loan and may, in connection with such deferral, charge
and collect deferral charges and may also require payment by such bor-
rower of the additional cost to the lender of premiums for continuing in
force, until the end of such period of deferral, any insurance coverage
provided in connection with the loan pursuant to subsection (d) of this
section.

(c) A lender may impose a delinquency charge upon all or any por-
tion of any installment or installments payable under a loan made pur-
suant to this section which is or are in default for a period not less than
10 days; provided, however, that no such delinquency charge may be
charged or imposed unless the agreement governing the loan so provides
and that no more than one such delinquency charge may be imposed in
respect of any single such installment payment or portion thereof regard-
less of the period during which it remains in default, and provided fur-
ther, that no such delinquency charge may exceed 5% of the amount of
any such installment or portion thereof in default.

(d) A borrower may prepay a loan made pursuant to this section
in full at any time. If interest in respect of such a loan has been pre-
computed and taken in advance, then, in the event of prepayment of the
entire indebtedness, the lender shall refund to the borrower the un-
earned portion of the precomputed interest charge. This refund shall be
in an amount not less than the amount which would be refunded if the
unearned precomputed interest charge were calculated in accordance with
the actuarial method, except that the borrower shall not be entitled to a
refund which is equal to or less than one dollar. The unearned portion
of the precomputed interest charge is, at the option of the lender, either:

(1) That portion of the precomputed interest charge which is
allocable to all originally scheduled or, if deferred, all deferred pay-
ment periods, or portions thereof, ending subsequent to the date of pre-
payment. The unearned precomputed interest charge is the total of that
which would have been earned for each of such period, or portion
thereof, had the loan not been precomputed, by applying to unpaid bal-
ances of principal, according to the actuarial method, an annual per-
centage rate based on the precomputed interest charges, assuming that
all payments were made as scheduled, or as deferred, if deferred. The
lender, at its option, may round this annual percentage rate to the
nearest one-quarter of one percent; or
(2) The total precomputed interest charge less the earned precomputed interest charge. The earned precomputed interest charge shall be determined by applying an annual percentage rate based on the total precomputed interest charge, under the actuarial method, to the unpaid balances for the actual time those balances were unpaid up to the date of prepayment.

(e) As used in subsection (d) of this section:

(1) “Actuarial method” means the method of allocating payments made on a loan between the outstanding balance of the loan and interest pursuant to which a payment is applied first to the accumulated interest and any remainder is subtracted from the outstanding balance of the loan.

(2) “Precomputed interest charge” means interest as computed by the add-on, discount or other similar method.

(3) “Payment period” means the time period within which periodic installment payments of a loan are due as provided in the agreement governing the loan.

(f) In connection with any prepayment of a loan made pursuant to this section, the lender may not impose any prepayment charge.

(g) Borrower may, with the consent of the lender, refinance the entire outstanding and unpaid amount of a loan made pursuant to this section, and the lender may charge and collect a refinancing charge in connection with any such refinancing. For the purposes of this section, the entire outstanding and unpaid amount of a loan shall be deemed to be:

(1) If the interest in respect of the loan was not taken in advance, the total of the unpaid balance and the accrued and unpaid interest and charges on the date of refinancing; or

(2) If the interest on the loan was precomputed and taken in advance, the amount which the borrower would have been required to pay, disregarding any prepayment charge, upon prepayment on the date of refinancing pursuant to subsection (d) of this section governing refund upon prepayment.

(h) In the event a borrower defaults under the terms of a loan made pursuant to this section and the lender refers such borrower’s account to an attorney (not regularly salaried employee of the lender) for collection, the lender may, if the agreement governing the loan so provides, charge and collect from the borrower a reasonable attorney’s fee and, in addition, if the agreement governing the loan so provides, the lender may recover all court and other collection costs actually incurred by the lender in connection with a collection proceeding. (23 Del. Laws, c. 149, § 3; Code
§ 2109. Bylaws and fines.*


§ 2110. Penalty for failure to give copy of obligation to borrower.

Every lender shall give to the borrower, on request, a correct copy of the obligation evidencing the loan, and on failure or refusal, on such request, to furnish the borrower with such copy, shall be fined, for each offense, not less than $20 nor more than $100, or imprisoned for not more than 1 month, or both. (23 Del. Laws, c. 139, § 5; Code 1915, § 3558; 36 Del. Laws, c. 260, § 1; 37 Del. Laws, c. 246, § 1; 38 Del. Laws, c. 190, § 1; 40 Del. Laws, c. 219, § 1; Code 1935, § 4049; 5 Del. C. 1953, § 2110.)

§ 2111. Forbidden practices; acts deemed performed in this State; penalties and civil remedies.*

(a) No person, trustee, trustee system, association, or a combination of persons, having its principal place of business within or without the State, shall advertise in this State, accept as security in any form personal property or wages, or solicit, contract or agree with any resident of this State for the loaning of money at a rate of interest or charge in excess of that permitted by this chapter. The signing of any contract or other paper, the giving as security wages or personal property located in this State, the receipt or sending by mail in or from this State of any paper, principal or interest shall be deemed an act within this State and the whole transaction shall be subject to the provisions of this chapter.

(b) Any violation of subsection (a) of this section shall be subject to the penalties provided in § 2110 of this title.

(c) In any action for the recovery or repayment of the amount loaned under this chapter the lender shall be entitled to recover the unpaid principal amount of the loan together with pre-judgment and post-judgment interest at the rate or rates specified in the agreement governing the loan. (Code 1915, § 3558A; 38 Del. Laws, c. 190, § 1; Code 1935, § 4049; 5 Del. C. 1953, § 2111; 60 Del. Laws, c. 644, § 1; 62 Del. Laws, c. 228, § 15; 62 Del. Laws, c. 239, § 2; 63 Del. Laws, c. 2, § 10.)

§ 2112. Prohibition against making loans without certificate; exception; penalty.

(a) Loans as authorized by this chapter shall not be made unless a certificate of registration has first been obtained from the State Bank
Commissioner. Whoever violates this subsection shall be fined not less than $50 nor more than $200 for each offense, or imprisoned not more than 3 months, or both.

(b) Subsection (a) of this section shall not apply to national banks or state banks or trust companies organized under the laws of this State. Such institutions may make loans in accordance with and at the rates and upon the terms, and under the limitations with respect to corporations, provided for in this chapter, without first obtaining a certificate of registration from the State Bank Commissioner. (23 Del. Laws, c. 149, § 7; Code 1915, § 3560; 36 Del. Laws, c. 260, § 1; 37 Del. Laws, c. 246, § 1; 40 Del. Laws, c. 219, § 1; Code 1935, § 4050; 5 Del. C. 1953, § 2112.)

§ 2113. Responsibility of agents.

For every violation of this chapter by any association, firm, partnership, trustee system or combination of persons not incorporated, or by any corporation, any member of the association, firm, partnership, trustee system or combination of persons not incorporated, and the president, secretary or treasurer, or any person acting as agent of the association, firm, partnership, trustee system or combination of persons not incorporated, or corporation, may be proceeded against as a principal, and if found guilty of violating this chapter, shall be punished as provided in this chapter. (23 Del. Laws, c. 149, § 6; Code 1915, § 3559; 36 Del. Laws, c. 260, § 1; Code 1935, § 4049; 5 Del. C. 1953, § 2113.)

§ 2114. Application of small loan provisions to banks and trust companies.

Sections 2101-2113 of this title, except as otherwise specifically stated therein, shall not apply to any national or state bank or to any trust company organized under this Code or any other laws of this State. Where a corporation has exercised the privileges of this chapter, in connection with the conduct of its business, and as a result of merger under the general corporation law of the State or otherwise, becomes in fact and in name a national or state bank or trust company, nothing in this section shall prevent the new corporation from the continued exercise of the privileges of this chapter, subject, however, to the performance of the obligations imposed by this chapter. (23 Del. Laws, c. 149, § 8; Code 1915, § 3561; 32 Del. Laws, c. 191, § 1; Code 1935, § 4051; 5 Del. C. 1935, § 2114; 58 Del. Laws, c. 127.)

§ 2115. Salary orders, warrants or assignments as security for loans; penalties for violations.

(a) No order, warrant or claim of any kind, from any employee upon his employer, for any salary or part thereof due or to become due to
such employee from such employer, shall be taken, accepted, or agreed to be taken or accepted, as security for money loaned or to be loaned.

(b) Subsection (a) of this section shall not apply in any case where, with the written consent of the employer, an order, warrant or claim of the type described in that subsection is taken, accepted, or agreed to be taken or accepted, as security for money loaned or to be loaned on real estate, or otherwise.

(c) Whenever an order, warrant or claim of any kind is taken, accepted, or agreed to be taken or accepted, as security for money loaned or to be loaned, under the terms and conditions described and permitted by subsection (b) of this section, the order, warrant or claim shall not include any charge whatever for expense or service of any kind. It shall only include regular payments on account of principal so loaned, and interest on the debt due at the rate of 6 percent per annum.

(d) Whoever violates this section shall be fined not less than $100 nor more than $500, or imprisoned not more than 6 months, or both. (25 Del. Laws, c. 250, § 1; Code 1915, § 3562; 35 Del. Laws, c. 208, § 1; Code 1935, § 4052; 5 Del. C. 1953, § 2115.)

CHAPTER 23. SALE OF CHECKS, DRAFTS AND MONEY ORDERS

Omitted.

CHAPTER 25. SOLICITING DEPOSITS OR PAYMENTS ON INCOME OR ANNUITY CONTRACTS

Omitted.

CHAPTER 27. CASHING OF CHECKS, DRAFTS OR MONEY ORDERS

Omitted.
CHAPTER 29. FINANCING THE SALE OF MOTOR VEHICLES

§ 2901. Definition of terms.

As used in this chapter, unless the context or subject matter otherwise requires:

(1) "Motor vehicle" means any device propelled or drawn by any power other than muscular power, in, upon, or by which any person or property is, or may be transported or drawn upon a highway.

(2) "Retail buyer" or "buyer" means a person who buys a motor vehicle from a retail seller and who executed a retail installment contract in connection therewith.

(3) "Retail seller" or "seller" means a person who sells a motor vehicle to a retail buyer under or subject to a retail installment contract.

(4) "Retail installment transaction" means any transaction evidenced by a retail installment contract entered into between a retail buyer and a retail seller wherein the retail buyer buys a motor vehicle from the retail seller at a time price payable in one or more deferred installments. The cash sale price of the motor vehicle, the amount included for insurance and other benefits if a separate charge is made therefor, official fees and the finance charge shall together constitute the time price.

(5) "Retail installment contract" or "contract" means an agreement, entered into in this State, pursuant to which the title to, the property in or a lien upon the motor vehicle, which is the subject matter of a retail installment transaction, is retained or taken by a retail seller from a retail buyer as security, in whole or in part, for the buyer's obligation. The term includes a chattel mortgage, a conditional sales contract and a contract for the bailment or leasing of a motor vehicle by which the bailee or lessee contracts to pay as compensation for its use a sum substantially equivalent to or in excess of its value and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner of the motor vehicle upon full compliance with the provisions of the contract.

(6) "Cash sale price" means the price stated in a retail installment contract for which the seller would have sold to the buyer, and the buyer would have bought from the seller, the motor vehicle which is the subject matter of the retail installment contract, if such sale has been a sale for cash instead of a retail installment transaction. The cash sale price may include any taxes, registration, certificate of title,
license and other fees and charges for accessories and their installation and for delivery, servicing, repairing, or improving the motor vehicle.

(7) "Official fees" mean the fees prescribed by law for filing, recording or otherwise perfecting and releasing or satisfying a retained title or a lien created by a retail installment contract.

(8) "Finance charge" means the amount agreed upon between the buyer and the seller, as limited by this chapter, to be added to the aggregate of the cash sale price, the amount, if any, included for insurance and other benefits and official fees, in determining the time price.

(9) "Sales finance company" means a person engaged, in whole or in part, in the business of purchasing retail installment contracts from one or more retail sellers. The term includes but is not limited to a bank, trust company, private banker, industrial bank or investment company, if so engaged. The term also includes a retail seller engaged, in whole or in part, in the business of creating and holding retail installment contracts. The term does not include the pledge of an aggregate number of such contracts to secure a bona fide loan thereon.

(10) The "holder" of a retail installment contract means the retail seller of the motor vehicle under or subject to the contract or, if the contract is purchased by a sales finance company or other assignee, the sales finance company or other assignee.

(11) "Person" means an individual, partnership, corporation, association, and any other group however organized.

(12) "Commissioner" means State Bank Commissioner.

(13) Words in the singular include the plural and vice versa.

§ 2902. Licensing of sales finance companies required.

(a) No person shall engage in the business of a sales finance company in this State without a license therefor as provided in this chapter; provided, however, that no state bank or trust company, or any national bank, authorized to do business in this State shall be required to obtain a license under this chapter but shall comply with all of the other provisions of this chapter.

(b) The application for such license shall be in writing, under oath, and in the form prescribed by the Commissioner. The application shall contain the name of the applicant; date of incorporation, if incorporated; the address where the business is or is to be conducted and similar infor-
mation as to any branch office of the applicant; the name and resident address of the owner or partners or, if a corporation or association, of the directors, trustees and principal officers, and such other pertinent information as the Commissioner may require.

(c) The license fee for each calendar year or part thereof shall be the sum of $250 for the principal place of business of the licensee and the sum of $100 for each branch of the licensee maintained in this State.

In addition, the original application for the initial license shall be accompanied by an investigation fee in the amount of $250 which shall not be refundable.

(d) Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case such location be changed, the Commissioner shall endorse the change of location on the license without charge.

(e) Upon the filing of such application, and the payment of said fee, the Commissioner shall issue a license to the applicant to engage in the business of sales finance company under and in accordance with the provisions of this chapter for a period which shall expire the last day of December next following the date of its issuance. Such license shall not be transferable or assignable. No licensee shall transact any business provided for by this chapter under any other name.

(f) For just cause the Commissioner may refuse to issue a license or renewal thereof. Any person aggrieved by the Commissioner's refusal to issue a license may apply for an appeal from such refusal as provided by law in § 8810 of Title 29. (5 Del. C. 1953, § 2902; 52 Del. Laws, c. 335, § 1; 57 Del. Laws, c. 740, § 25A; 60 Del. Laws, c. 268, § 18.)

§ 2903. Suspension or revocation of licenses.

(a) A license may be suspended or revoked by the Commissioner on the following grounds:

1. Material misstatement in application for license;

2. Wilful failure to comply with provisions of this chapter relating to retail installment contracts;

3. Defrauding any retail buyer to the buyer's damage;

4. Fraudulent misrepresentation, circumvention or concealment by the licensee through whatever subterfuge or device of any of the material particulars or the nature thereof required to be stated or furnished to the retail buyer under this chapter.
(b) If a licensee is a firm, association or corporation, it shall be sufficient cause for the suspension or revocation of a license that any officer, director or trustee of a licensed firm, association or corporation, or any member of a licensed partnership, has so acted or failed to act as would be the cause for suspending or revoking a license to such party as an individual. Each licensee shall be responsible for the acts of any or all of his employees while acting as his agent, if such licensee after actual knowledge of said acts retains the benefits, proceeds, profits or advantages accruing from said acts or otherwise ratifies said acts.

(c) No license shall be suspended or revoked except after hearing thereon. The Commissioner shall give the licensee at least 10 days written notice, in the form of an order to show cause, of the time and place of such hearing by registered mail addressed to the principal place of business in this State of such licensee. The said notice shall contain the grounds of complaint against the licensee. Any order suspending or revoking such license shall recite the grounds upon which the same is based. The order shall be entered upon the records of the Commissioner and shall not be effective until after 30 days written notice thereof given after such entry forwarded by registered mail, to the licensee at such principal place of business. No revocation, suspension or surrender of any license shall impair or affect the obligation of any lawful retail installment contract acquired previously thereto by the licensee.

(d) Any person aggrieved by any suspension or revocation of a license may appeal from such suspension or revocation as provided in § 8810 of Title 29. The 20 day time period referred to in § 8810(g) (1) of Title 29 shall not commence to run until the expiration of the 30 day time period referred to in subsection (c), of this section. (5 Del. C. 1953, § 2903; 52 Del. Laws, c. 335, § 1; 57 Del. Laws, c. 740, § 25B.)

§ 2904. Filing of complaints.

Any retail buyer having reason to believe that this chapter relating to his retail installment contract has been violated, may file with the Commissioner a written complaint setting forth the details of such alleged violation and the Commissioner, upon receipt of such complaint, may inspect the pertinent books, records, letters and contracts of the licensee and of the retail seller involved, relating to such specific written complaint. (5 Del. C. 1953, § 2904; 52 Del. Laws, c. 335, § 1.)

§ 2905. Powers of Commissioner.

(a) For the purpose of administering the provisions of this chapter, determining whether any business contemplated by this chapter is being operated in accordance with the provisions thereof, or making investigation of any complaint or alleged violation, the Commissioner and his duly
authorized representatives shall have power to investigate, at any time, the business and affairs and examine the books, accounts, contracts, papers, records, documents and files of every licensee and of every person who shall be engaged in business contemplated by this chapter, whether such person shall act, or claim to act, as principal or agent or under or without the authority of this chapter. For this purpose the Commissioner, or his duly authorized representatives, shall have free access to the offices and places of business, books, accounts, contracts, papers, records, documents and files of all such persons.

(b) The Commissioner shall have power to issue subpoenas to compel the attendance of witnesses and the production of books, accounts, contracts, papers, records, documents and other evidence before him in any matter over which he has jurisdiction, control or supervision pertaining to this chapter. The Commissioner shall have the power to administer oaths and affirmations to any persons whose testimony is required.

(c) If any person shall refuse to obey any such subpoena, or to give testimony, or to produce evidence as required thereby, any judge of the Superior Court may, upon application and proof of such refusal, make an order awarding process of subpoena, or subpoena duces tecum, out of the Superior Court, for such witness to appear before the Commissioner and to give testimony and to produce evidence as required thereby. Upon filing such order in the office of the Prothonotary, the Prothonotary shall issue process of subpoena, as directed, under the seal of said Court, requiring the person to whom it is directed, to appear at the time and place therein designated.

(d) If any person served with any such subpoena shall refuse to obey the same, and to give testimony, and to produce evidence as required thereby, the Commissioner may apply to any judge of the Superior Court for an attachment against such person, as for a contempt. The Court, upon satisfactory proof of such refusal, shall issue an attachment directed to any sheriff, constable or police officer, for the arrest of such person, and upon his being brought before the Court, proceed to a hearing of the case. The Court shall have power to enforce obedience to such subpoena, and the answering of any question, and the production of any evidence, that may be proper, by a fine not exceeding $100, or by imprisonment for not more than 30 days, or by both fine and imprisonment, and to compel such witness to pay the costs of such proceeding as taxed by the Court.

(e) The Commissioner may make such rules and regulations, and such specific rulings, demands and findings as he deems necessary for the enforcement of this chapter and the proper conduct of the business authorized and required to be licensed thereunder. Such rules and regula-
§ 2906. Requirements and prohibitions as to retail installment contracts.\(^*\)

(a) A retail installment contract shall be in writing, shall be signed by both the buyer and the seller and shall be completed as to all essential provisions prior to the signing of the contract by the buyer.

(b) The printed portion of the contract, other than instructions for completion, shall be in at least 8 point type. The contract shall contain in a size equal to at least 10 point bold type:
   
   (1) A specific statement that liability insurance coverage for bodily injury and property damage caused to others is not included, if that is the case; and
   
   (2) The following notice: "Notice to the Buyer: 1. Do not sign this contract before you read it or if it contains any blank spaces. 2. You are entitled to an exact copy of the contract you sign."

(c) The seller shall deliver to the buyer, or mail to him at his address shown on the contract, a copy of the contract signed by the seller. Until the seller does so, a buyer who has not received delivery of the motor vehicle shall have the right to rescind his agreement and to receive a refund of all payments made and return of all goods traded in to the seller on account of or in contemplation of the contract, or if such goods cannot be returned, the value thereof. Any acknowledgment by the buyer of delivery of a copy of the contract shall be in a size equal to at least 10 point bold type and, if contained in the contract, shall appear directly above the buyer's signature.

(d) The contract shall contain the names of the seller and the buyer, the place of business of the seller as specified by the buyer and a description of the motor vehicle including its make, year model, model and identification numbers or marks.

(e) The contract shall contain the following items:
   
   (1) The cash sale price of the motor vehicle;
   
   (2) The amount of the buyer's down payment, and whether made in money or goods, or partly in money and partly in goods;
   
   (3) The difference between items (1) and (2);
   
   (4) The amount, if any, included for insurance and other benefits, specifying the types of coverage and benefits;
(5) The amount of official fees;

(6) The principal balance, which is the sum of item (3), item (4), and item (5);

(7) The amount of the finance charge;

(8) The time balance, which is the sum of items (6) and (7), payable in installments by the buyer to the seller, the number of installments, the amount of each installment and the due date or period thereof.

The above items need not be stated in the sequence or order set forth; additional items may be included to explain the calculations involved in determining the stated time balance to be paid by the buyer.

(f) The amount, if any, included for insurance, which may be purchased by the holder of the retail installment contract, shall not exceed the applicable premiums chargeable in accordance with the rates filed with the Insurance Commissioner of the State. If dual interest insurance on the motor vehicle is purchased by the holder it shall, within 30 days after execution of the retail installment contract, send or cause to be sent to the buyer a policy or policies or certificate of insurance, written by an insurance company authorized to do business in this State, clearly setting forth the amount of the premium, the kind or kinds of insurance, the coverages and all the terms, exceptions, limitations, restrictions and conditions of the contract or contracts of insurance. The buyer shall have the privilege of purchasing such insurance from an agent or broker of his own selection and of selecting an insurance company acceptable to the holder, but in such case the inclusion of the insurance premium in the retail installment contract shall be optional with the seller.

(g) If any insurance is cancelled, unearned insurance premium refunds received by the holder shall be credited to the final maturing installments of the contract except to the extent applied toward payment for similar insurance protecting the interests of the buyer and the holder or either of them.

(h) The holder may, if the contract so provides, collect a delinquency and collection charge on each installment in default for a period not less than 10 days in an amount not in excess of 5% of each installment or $15, whichever is less. In addition to such delinquency and collection charge, the contract may provide for the payment of attorneys' fees not exceeding 15% of the amount due and payable under such contract when such contract is referred for collection to an attorney not a salaried employee of the holder of the contract plus the court costs.

(i) No retail installment contract shall be signed by any party thereto when it contains blank spaces to be filled in after it has been signed ex-
cept that, if delivery of the motor vehicle is not made at the time of the execution of the contract, the identifying numbers or marks of the motor vehicle or similar information and the due date of the first installment may be inserted in the contract after its execution. The buyer's written acknowledgment, conforming to the requirements of subsection (c) of this section, of delivery of a copy of a contract shall be conclusive proof of such delivery, that the contract when signed did not contain any blank spaces except as provided in this subsection, and of compliance with this section in any action or proceeding by or against the holder of the contract.

(j) Upon written request from the buyer, the holder of a retail installment contract shall give or forward to the buyer a written statement of the dates and amounts of payments and the total amount unpaid under such contract. A buyer shall be given a written receipt for any payment when made in cash.

(k) No provision in a retail installment contract relieving the seller from liability for any legal remedies which the buyer may have against the seller under the contract, or in any separate instrument executed in connection therewith, whether before or at the time of the making of the contract, shall be enforceable. (5 Del. C. 1953, § 2906; 52 Del. Laws, c. 335, § 1; 63 Del. Laws, c. 2, § 11.)

§ 2907. Finance Charge.*

(a) A retail seller or the holder of a retail installment contract may charge and collect a finance charge in respect of a retail installment transaction and may calculate such finance charge in the manner and at the rate or rates specified in the contract governing the retail installment transaction.

(b) Any sales finance company may purchase or acquire or agree to purchase or acquire from any seller any contract on such terms and conditions as may be agreed upon between them. Filing of the assignment, notice to the buyer of the assignment, and any requirement that the holder maintain dominion over the payments or the motor vehicle if repossessed shall not be necessary to the validity of a written assignment of a contract as against creditors, subsequent purchasers, pledgees, mortgagees and lien claimants of the seller. Unless the buyer has notice of the assignment of his contract, payment thereunder made by the buyer to the last known holder of such contract shall be binding upon all subsequent holders. (5 Del. C. 1953, § 2907; 52 Del. Laws, c. 335, § 1; 60 Del. Laws, c. 53, § 1; 61 Del. Laws, c. 83, § 1; 62 Del. Laws, c. 228, §§ 3, 4; 63 Del. Laws, c. 2, § 12.)

§ 2908. Prepayment.*

(a) A buyer may prepay the debt due under a retail installment contract in full at any time.
(b) If the finance charge imposed pursuant to § 2907 of this chapter in respect of a retail installment transaction has been precomputed and taken in advance, then, in the event of prepayment of the entire indebtedness, the holder shall refund to the buyer the unearned portion of the precomputed finance charge. This refund shall be in an amount not less than the amount which would be refunded if the unearned precomputed finance charge were calculated in accordance with the actuarial method, provided that the buyer shall not be entitled to a refund which results in a net minimum finance charge of less than $25, and provided further that the holder shall not be required to refund the unearned portion of the finance charge if such amount is less than one dollar. The unearned portion of the precomputed finance charge is, at the option of the holder, either:

(1) That portion of the precomputed finance charge which is allocable to all originally scheduled or, if deferred, all deferred payment periods, or portions thereof, ending subsequent to the date of prepayment. The unearned precomputed finance charge is the total of that which would have been earned for each such period, or portion thereof, had the debt due under the contract not been precomputed, by applying to unpaid balances of principal, according to the actuarial method, an annual percentage rate based on the precomputed finance charge, assuming that all payments were made as scheduled, or as deferred, if deferred. The holder, at its option, may round this annual percentage rate to the nearest one-quarter of one percent; or

(2) The total precomputed finance charge less the earned precomputed finance charge. The earned precomputed finance charge shall be determined by applying an annual percentage rate based on the total precomputed finance charge, under the actuarial method, to the unpaid balances for the actual time those balances were unpaid up to the date of prepayment.

(c) As used in subsection (b) of this section:

(1) "Actuarial method" means the method of allocating payments made on a debt due under a retail installment contract between the outstanding balance of the indebtedness and the finance charge pursuant to which a payment is applied first to the accumulated finance charge and any remainder is subtracted from the outstanding balance of the indebtedness.

(2) "Payment period" means the time period within which periodic installment payments of the indebtedness are due under the terms of a retail installment contract.

(d) If a charge was made to buyer for premiums for insurance in respect of a retail installment transaction, then, in the event of prepayment, the holder shall refund to such buyer the excess of the charge to such
buyer therefor over the premiums paid or payable to the holder, if such premiums were paid or payable by the holder periodically, or the refund for such insurance premium received or receivable by the holder, if such premium was paid or payable in a lump sum by the holder, provided that no such refund shall be required if it amounts to less than one dollar.

(e) In connection with any prepayment of a debt due under a retail installment contract by a buyer, the holder may not impose any prepayment charge. (63 Del. Laws, c. 2, § 13.)

§ 2909. Deferred installments.*

A holder may at time or from time to time permit a buyer to defer installment payments due under the terms of a retail installment contract and may, in connection with such deferral, charge and collect deferral charges and may also require payment by such buyer of the additional cost to the holder of premiums for continuing in force, until the end of such period of deferral, any insurance coverage provided in connection with the contract. (5 Del. C. 1953, § 2909; 52 Del. Laws, c. 335, § 1; 63 Del. Laws, c. 2, § 13.)

§ 2910. Penalties.

(a) Any person who shall wilfully and intentionally violate this chapter or engage in the business of a sales finance company in this State without a license therefor as provided in this chapter shall be fined not more than $500.

(b) A wilful violation of § 2906 or 2907 of this title by the seller or holder shall bar recovery of any finance charge, delinquency or collection charge on the contract. (5 Del. C. 1953, § 2910; 52 Del. Laws, c. 335, § 1.)

§ 2911. Waiver unenforceable and void.

Any waiver of the provisions of this chapter shall be unenforceable and void. (5 Del. C. 1953, § 2911; 52 Del. Laws, c. 335, § 1.)

§ 2912. Disclosure requirements.

Notwithstanding any other provision of this chapter to the contrary, disclosures made in the terminology of the Truth in Lending Act [15 U. S. C. A., § 1601 et seq.], as amended, and regulations prescribed thereunder, shall be deemed to comply with comparable, but literally inconsistent disclosure requirements of this chapter; provided, however, that any charges otherwise authorized under this chapter may be contracted for and collected in amounts and at rates consistent with the provisions of this chapter without regard to any inconsistent terminology of said Truth in Lending Act and this chapter. (5 Del. C. 1953, § 2912; 57 Del. Laws, c. 156.)
CHAPTER 31. SECONDARY MORTGAGE LOANS.

§ 3101. Definitions.

In this chapter, unless the context otherwise requires:

(1) "Secondary mortgage loan" means (1) a loan not to be repaid in 90 days or less which is secured, in whole or in part, by a mortgage upon any interest in real property used as a dwelling with accommodations for not more than 4 families, which property is subject to the lien of one or more prior mortgages, or (2) the purchase of any interest in an existing mortgage made to secure such a loan.

(2) "Person" means an individual, corporation, partnership or any other group of individuals however organized, but does not include any banking institution, savings bank, federal savings and loan association, insurance company, or any other financial institution which is subject to any other law of this State or of the United States, regulating the power of such institution to engage in mortgage loan transactions.

(3) "Licensee" means any person duly licensed by the Commissioner pursuant to this chapter.

(4) "Commissioner" means the State Bank Commissioner.

(5) "Payment period" means the period of time scheduled by the terms of a secondary mortgage loan to elapse between the days upon which installment payments are required to be made on such loan.

(6) "Net proceeds" means the difference between the full amount of a secondary mortgage loan and the amount of interest taken in advance upon such loan pursuant to this chapter. (5 Del. C. 1953, § 3101; 55 Del. Laws, c. 346, § 1.)

§ 3102. License to make secondary mortgage loan.

(a) No person shall make or negotiate, or offer to make or negotiate, any secondary mortgage loan in the regular course of business unless he or his broker, agent or other representative, shall have first obtained a license from the Commissioner as provided for by this chapter. A person shall not be deemed to be acting in the regular course of business if he makes or negotiates not more than 2 secondary mortgage loans in a calendar year.

(b) Every applicant for a license under this chapter, and the members thereof (if the applicant is a partnership or an association), and the officers and directors thereof (if the applicant is a corporation), shall be
financially responsible and of such experience, character and general fit-
ness as to command the confidence of the public and to warrant belief that
the business will be operated lawfully and fairly within the purposes of this
chapter, and the applicant shall have available for the operation of such
business net assets of at least $25,000. (5 Del. C. 1953, § 3102; 55 Del.
Laws, c. 346, § 1; 57 Del. Laws, c. 666, § 1.)

§ 3103. Qualifications of licensee.

(a) Every applicant for a license under this chapter shall have been
a bona fide resident of this State for a period of at least 2 years prior to
the date of filing the application for such license. In the case of a cor-
poration, the holder or holders of at least 50% of the stock of such
corporation shall have resided in this State for a period of at least 2 years
prior to the date of filing the application.

(b) Applicants shall not engage in any other business than that of
secondary mortgage financing.

(c) It is required that all loan closings, transactions, and servicing
shall be performed at the designated place of business. (5 Del. C. 1953,
§ 3103; 55 Del. Laws, c. 346, § 1; 57 Del. Laws, c. 666, § 3.)

§ 3104. Application for license.

(a) Application for a license under this chapter shall be in writing,
under oath, and shall be in the form prescribed by the Commissioner.

(b) The application shall state the name and residence and business
addresses of the applicant, and if the applicant is a copartnership or asso-
ciation, of every member thereof, and if a corporation, of each officer, di-
rector and stockholder thereof. It shall also state the address where the
business is to be conducted and any other information the Commissioner
may require. (5 Del. C. 1953, § 3104; 55 Del. Laws, c. 346, § 1.)

§ 3105. Issuance or refusal of license.

Within 60 days after the filing of the application and the payment of
the fees set forth in this chapter, the Commissioner shall either:

(1) Issue and deliver to the applicant a license to engage in the
business of making or negotiating secondary mortgage loans, in ac-
cordance with the provisions of this chapter, at the location specified
in the application if he deems that the public need and convenience
would be served thereby; or

(2) Refuse to issue the license on the grounds of qualification
of the applicant or any of its members, or officers or directors, or on a
negative of public need and convenience or for any reason for which
the Commissioner may suspend, revoke, or refuse to renew any license under § 3111 of this title. (5 Del. C. 1953, § 3105; 55 Del. Laws, c. 346, § 1; 57 Del. Laws, c. 666, § 2.)

§ 3106. Procedure on refusal of license.

If the Commissioner refuses to issue a license he shall:

(a) Notify the applicant of the denial and of his right to request a hearing within 10 days;

(b) If the applicant does not request a hearing, return the sum paid as a license fee;

(c) If the applicant requests such a hearing, give notice of the grounds for refusal and hold a hearing thereon. Within 30 days thereafter, the Commissioner shall file a written decision containing his findings and conclusions and serve a copy thereof upon the applicant. (5 Del. C. 1953, § 3106; 55 Del. Laws, c. 346, § 1.)

§ 3107. License; contents.

(a) Each license shall specify the location of the office or branch and must be conspicuously displayed in such office or branch. In case such location be changed, the Commissioner shall indorse the change of location on the license without charge.

(b) Such license shall not be transferable or assignable.

(c) No license shall transact the business provided for by this chapter under any other name or maintain an office at any other location than that designated in the license. (5 Del. C. 1953, § 3107; 55 Del. Laws, c. 346, § 1.)

§ 3108. Fee for application, investigation and license.

(a) Each applicant shall pay to the office of the State Bank Commissioner an investigation fee of $250, which shall not be refundable and shall accompany the original application for the initial license.

(b) Upon approval the applicant shall pay an annual license fee of $250 which shall be payable annually thereafter. (5 Del. C. 1953, § 3108; 55 Del. Laws, c. 346, § 1; 57 Del. Laws, c. 666, § 5; 60 Del. Laws, c. 268, § 19.)

§ 3109. Licensee bond.

Every licensee shall file with the Commissioner a corporate surety bond in the principal sum of $5,000 in form satisfactory to the Commissioner with surety provided by a corporation authorized to transact busi-
ness in this State. The bond shall run to the State and shall be conditioned that the licensee will comply with this chapter. The aggregate liability of the surety on the bond shall in no event exceed the amount of such bond. (5 Del. C. 1953, § 3109; 55 Del. Laws, c. 346, § 1.)

§ 3110. Abatement of license fee.

No abatement in the amount of said license fee shall be made if the license is issued for less than 1 year, nor if the license is surrendered, canceled or revoked prior to the expiration of the period for which such license was issued. Every license shall expire on December 31 of each year. (5 Del. C. 1953, § 3110; 55 Del. Laws, c. 346, § 1.)

§ 3111. Suspension; revocation; refusal of license; procedure; grounds.

The Commissioner may suspend, revoke or refuse to renew any license issued under this chapter, upon 10 days' notice in writing, forwarded by registered or certified mail to the principal place of business of such licensee, stating the contemplated action and in general the grounds therefor, and after reasonable opportunity to be heard, if he shall find that the licensee or any owner, director, officer, member, partner, stockholder, employee or agent of such licensee has:

(a) Made any material misstatement in the application;

(b) Committed any fraud, engaged in any dishonest activities, or misrepresented or failed to disclose any of the material particulars of any secondary mortgage loan transaction to any one entitled to such information;

(c) Violated this chapter or of any rule or regulation promulgated pursuant thereto;

(d) Otherwise demonstrated unworthiness, bad faith, dishonesty or any other quality indicating that the business of the licensee has not been, or will not be conducted honestly, fairly, equitably and efficiently within the purposes and intent of this chapter. (5 Del. C. 1953, § 3111; 55 Del. Laws, c. 346, § 1.)

§ 3112. Surrender of license.

Any licensee may surrender his license by delivering the license to the Commissioner with written notice that he hereby surrenders the license, but such surrender shall not affect the licensee's civil or criminal liability for acts committed prior to the surrender. (5 Del. C. 1953, § 3112; 55 Del. Laws, c. 346, § 1.)
§ 3113. Term of license; reinstatement.

Every license issued under this chapter shall remain in force and effect until the same shall have expired or been surrendered, revoked or suspended in accordance with the provisions of § 3111 of this title. The Commissioner may reinstate suspended licenses or issue new licenses to a licensee whose license or licenses have been revoked, if the conditions under which such licenses were revoked have been corrected and the Commissioner is satisfied as the result of an investigation that such conditions are not likely to recur. (5 Del. C. 1953, § 3113; 55 Del. Laws, c. 346, § 1.)

§ 3114. Investigation by Commissioner.

(a) The Commissioner, if he has reasonable cause to believe that any licensee, or any other person, has violated this chapter or of any rules or regulations promulgated pursuant to this chapter, may make such investigations as he shall deem necessary, and may examine the books, accounts, records and files of such licensee or any other such person believed to have violated this chapter or any rules or regulations promulgated pursuant to this chapter.

(b) The Commissioner or his authorized representative at any time may conduct examinations. On the occasion of every examination, the Commissioner or his authorized representative shall be given access to every part of the office or place of business and to the assets, securities, books, papers and other records of the business.

(c) The examination made by the Commissioner shall be a thorough examination into the affairs of the secondary mortgage loan business visited, the resources and liabilities, the investment of the funds, the mode of conducting the business and the compliance or noncompliance of the secondary mortgage loan business with this chapter and any other statutes of this State. (5 Del. C. 1953, § 3114; 55 Del. Laws, c. 346, § 1; 57 Del. Laws, c. 666, § 4.)

§ 3115. Issuance of subpoena by Commissioner.

The Commissioner may issue subpoenas to compel the attendance of witnesses and the production of documents, papers, books, records and other evidence before him in any matter over which he has jurisdiction, control or supervision. The Commissioner may administer oaths and affirmations to any person whose testimony is required. (5 Del. C. 1953, § 3115; 55 Del. Laws, c. 346, § 1.)

§ 3116. Enforcement of Commissioner’s subpoena in Superior Court.

If any person shall fail to comply with any subpoena issued by the Commissioner, or to testify with respect to any matter concerning which he
may be lawfully interrogated, the Superior Court, on application of the Commissioner, may issue an order requiring the attendance of such person and the giving of testimony or production of evidence. Any person failing to obey the Court’s order may be punished by the Court as for contempt. (5 Del. C. 1953, § 3116; 55 Del. Laws, c. 346, § 1.)

§ 3117. Maintenance of books and records by licensee.

Every licensee shall maintain at its place or places of business in this State, such books, accounts and records relating to all transactions within this chapter as will enable the Commissioner to enforce full compliance with the provisions of this chapter. (5 Del. C. 1953, § 3117; 55 Del. Laws, c. 346, § 1.)

§ 3118. Period of retention of records by licensee.

All books, accounts and records of the licensee shall be preserved and kept available as provided in this chapter for such period of time as the Commissioner may by regulation require. (5 Del. C. 1953, § 3118; 55 Del. Laws, c. 346, § 1.)

§ 3119. Prescription of information to be shown in licensee books.

The Commissioner may prescribe the minimum information to be shown in such books, accounts and records of the licensee so that such records will enable the Commissioner to determine compliance with the provisions of this chapter. (5 Del. C. 1953, § 3119; 55 Del. Laws, c. 346, § 1.)

§ 3120. Prohibition of secondary mortgage not made or offered in accordance with this chapter.

No licensee shall make or offer to make any secondary mortgage loan except on the terms and conditions authorized by this chapter. (5 Del. C. 1953, § 3120; 55 Del. Laws, c. 346, § 1.)

§ 3121. Interest.\textsuperscript{2}

A licensee may charge and collect interest in respect of a secondary mortgage loan at such daily, weekly, monthly, annual or other periodic percentage rate or rates and may calculate such interest by way of simple interest or such other method as the agreement governing the loan provides. (5 Del. C. 1953, § 3121; 55 Del. Laws, c. 346, § 1; 62 Del. Laws, c. 228, § 5; 63 Del. Laws, c. 2, § 14.)
§ 3122. Maximum service charges.

The Commissioner shall prepare and distribute to each licensee an itemized schedule of the maximum amounts which may be charged to an applicant for a secondary mortgage loan for costs, fees, services, points, premiums, collection charges, late charges and all other reasonable expenses which may be incurred by such applicant in connection with a secondary mortgage loan. The maximum amounts permitted by said schedule may vary with the amount of the secondary mortgage loan and shall bear a reasonable relationship to such loan, the services required and the complexity of the transaction. No licensee or any other person shall demand, collect or receive from any applicant for a secondary mortgage loan, directly or indirectly, any other charges, or any greater amounts for any authorized charges, than those permitted by said schedule. Every licensee shall furnish to every applicant for a secondary mortgage loan a copy of said schedule at the time when such application is made. (5 Del. C. 1953, § 3122; 55 Del. Laws, c. 346, § 1.)

§ 3123. Instrument evidencing loan; contents.

No instrument evidencing or securing a secondary mortgage loan shall contain:

(a) Any acceleration clause under which any part, or all of the unpaid balance, of the obligation not yet matured, may be declared due and payable because the holder deems himself to be insecure;

(b) Any power of attorney to confess judgment or any other power of attorney;

(c) Any provisions whereby the debtor waives any rights accruing to him under the provisions of this chapter or of any other law;

(d) Any requirements that more than 1 installment be payable in any 1 installment period, or that the amount of any installment be greater or less than that of any other installment, except for the final installment which may be in a lesser amount;

(e) Any assignment of, or order for, the payment of any salary, wages, commissions, or other compensation for services, or any part thereof, earned or to be earned. (5 Del. C. 1953, § 3123; 55 Del. Laws, c. 346, § 1.)

§ 3124. Statement of account; supplied to borrower.

Upon written request from the borrower, the holder of a secondary mortgage loan instrument shall deliver to the borrower within 10 days from receipt of the written request, a statement of the borrower's account
§3125. Prepayment.*

(a) A borrower may prepay a secondary mortgage loan in full at any time.

(b) If interest charged pursuant to § 3121 of this chapter in respect of a secondary mortgage loan has been precomputed and taken in advance, then in the event of prepayment of the entire indebtedness, the licensee shall refund to such borrower the unearned portion of the precomputed interest charge. This refund shall be in a (sic) amount not less than the amount which would be refunded if the unearned precomputed interest charge were calculated in accordance with the actuarial method, except that the borrower shall not be entitled to a refund which is less than one dollar. The unearned portion of the precomputed interest charge is, at the option of the licensee, either:

(1) That portion of the precomputed interest charge which is allocable to all originally scheduled or, if deferred, all deferred payment periods, or portion thereof, ending subsequent to the date of prepayment. The unearned precomputed interest charge is the total of that which would have been earned for each such period, or portion thereof, had the loan not been precomputed, by applying to unpaid balances of principal, according to the actuarial method, an annual percentage rate based on the precomputed interest charges, assuming that all payments were made as scheduled, or as deferred, if deferred. The licensee, at its option, may round this annual percentage rate to the nearest one-quarter of one percent; or

(2) The total precomputed interest charge less the earned precomputed interest charge. The earned precomputed interest charge shall be determined by applying an annual percentage rate based on the total precomputed interest charge, under the actuarial method, to the unpaid balances for the actual time those balances were unpaid up to the date of prepayment.

(c) As used in subsection (b) of this section:

(1) "Actuarial method" means the method of allocating payments made on a secondary mortgage loan between the outstanding balance of the loan and interest pursuant to which a payment is applied first to the accumulated interest and any remainder is subtracted from the outstanding balance of the loan.
(2) "Precomputed interest charge" means interest as computed by the add-on, discount or other similar method.

(3) "Payment period" means the time period within which periodic installment payments of a loan are due as provided in the agreement governing the loan.

(d) In connection with any prepayment of a secondary mortgage loan, the licensee may not impose any prepayment charge. (5 Del. C. 1953, §3125; 55 Del. Laws, c. 346, §1; 62 Del. Laws, c. 228, §6; 63 Del. Laws, c. 2, §15.)

§ 3126. Requirement that prior mortgage holders refuse to make loan.

No licensee shall make or negotiate any secondary mortgage loan unless it shall appear, from satisfactory evidence furnished by the applicant, that the holder of every existing mortgage upon the property offered as security for the secondary mortgage loan, other than the licensee, has declined to make a loan in the desired amount on the security of another mortgage upon such property. (5 Del. C. 1953, §3126; 55 Del. Laws, c. 346, §1.)

§ 3127. False or misleading advertising prohibited.

It shall be unlawful for any person to cause to be placed before the public in this State, directly or indirectly, any false or misleading advertising matter pertaining to secondary mortgage loans or the availability thereof; provided, however, that this section shall not apply to the owner, publisher, operator or employees of any publication or radio or television station which disseminates such advertising matter without knowledge of the false or misleading character thereof. (5 Del. C. 1953, §3127; 55 Del. Laws, c. 346, §1.)

§ 3128. Penalties for violation of chapter.

Any person who shall knowingly violate this chapter, or shall directly or indirectly counsel, aid or abet such violation, shall be liable, in addition to all other penalties and forfeitures imposed by this chapter, or by any other law, to a penalty of not more than $1,000 for each offense. The Superior Court shall have exclusive jurisdiction of offenses under this chapter. (5 Del. C. 1953, §3128; 55 Del. Laws, c. 346, §1.)

§ 3129. Enforceability of loan not made in compliance with this chapter.

No obligation arising out of a secondary mortgage loan shall be enforceable in the courts of this State unless such loan was negotiated
and made in full compliance with the provisions of this chapter. (5 Del. C. 1953, § 3129; 55 Del. Laws, c. 346, § 1.)

§ 3130. Rules and regulations; power of Commissioner to make.

The Commissioner may make, alter, amend and repeal such rules and regulations as shall be necessary to the establishment and maintenance of a standard of fair, equitable and honest conduct in the transaction of secondary mortgage loans. (5 Del. C. 1953, § 3130; 55 Del. Laws, c. 346, § 1.)

§ 3131. Exclusion of certain institutions from operation of chapter.

Nothing contained in this chapter shall be deemed to have any effect whatever upon the existing powers of any banking institution, savings bank, federal savings and loan association, or insurance company, or other financial institution which is subject to any other law of this State, or of the United States, regulating the power of such institution to engage in mortgage loan transactions, or upon the conditions and limitations imposed by any such law upon the exercise of such powers. (5 Del. C. 1953, § 3131; 55 Del. Laws, c. 346, § 1.)

CHAPTER 32. TRANSPORTATION OF MONEY AND VALUABLES

Omitted.
TITLE 6
COMMERCE AND TRADE

SUBTITLE I
UNIFORM COMMERCIAL CODE

Omitted.

SUBTITLE II
OTHER LAWS RELATING TO
COMMERCE AND TRADE

Certain chapters omitted.

CHAPTER 43. RETAIL INSTALLMENT SALES

Subchapter I. General Provisions

§ 4301. Definitions.

Unless the context or subject matter otherwise requires, the definitions given in this section govern the construction of this chapter.

(1) "Goods" mean tangible chattels bought for use primarily for personal, family or household purposes, as distinguished from commercial or agricultural purposes, including certificates or coupons exchangeable for such goods, and including goods which, at the time of the sale or subsequently are to be affixed to real property as to become a part of such real property whether or not severable therefrom, but does not include any motor vehicle which for the purposes of this chapter shall mean any device propelled or drawn by any power other than muscular power, in, upon, or by which any person or property is, or may be transported or drawn upon a highway.

(2) "Services" mean work, labor and services, for other than a commercial or business use, including services furnished in connection with the improvement of real property but does not include the
services for which the tariffs, rates, charges, costs or expenses, including in each instance the time sale price, is required by law to be filed with the approval by the federal government or any official department, division, commission or agency of the United States.

(3) "Retail seller" or "seller" means a person engaged in the business of selling goods or furnishing services to retail buyers and, as used in subchapter IX hereof dealing with retail installment accounts, includes a bank operating a credit card system.

(4) "Retail buyer" or "buyer" means a person who buys goods or obtains services from a retail seller in a retail installment sale and not principally for the purpose of resale.

(5) "Retail installment sale" or "sale" means the sale of goods or the furnishing of services by a retail seller to a retail buyer for a time sale price payable in installments.

(6) "Retail installment contract" or "contract" means any contract for a retail installment sale between a buyer and seller, entered into or performed in this State, which provides for repayment in installments, whether or not such contract contains a title retention provision, and in which a time price differential is computed upon and added to the unpaid balance at the time of sale or where no time price differential is added but the goods or services are available at a lesser price if paid by cash. When taken or given in connection with a retail installment sale, the term includes but is not limited to a chattel mortgage, a conditional sales contract and a contract for the bailment or leasing of goods by which the bailee or lessee contracts to pay as compensation for their use a sum substantially equivalent to or in excess of their value and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner of the goods upon full compliance with the terms of the contract.

(7) "Retail installment account" or "installment account" or "revolving account" means an account established by an agreement entered into in this State, pursuant to which the buyer promises to pay, in installments, to a retail seller, his outstanding balance incurred in retail installment sales, whether or not a security interest in the goods sold is retained by the seller, and which provides for a service charge which is expressed as a percent of the periodic balances to accrue thereafter providing such charge is not capitalized or stated as a dollar amount in such agreement and includes those accounts established with banks operating a credit card system pursuant to which a cardholder purchases goods and services from participating merchants.
(8) "Cash sale price" means the cash sale price stated in a retail installment contract for which the seller would sell or furnish to the buyer and the buyer would buy or obtain from the seller the goods or services which are the subject matter of a retail installment contract if the sale were a sale for cash instead of a retail installment sale. The cash sale price may include any taxes and cash sale prices for accessories and services, if any, included in a retail installment sale.

(9) "Time sale price" means the total of the cash sale price of the goods or services, and the amounts, if any, included for insurance, official fees and service charge.

(10) "Time price differential" or "service charge" means the amount however denominated or expressed which the retail buyer contracts to pay or pays for the privilege of purchasing goods or services to be paid for by the buyer in installments; it does not include the amounts, if any, charged for insurance premiums, delinquency charges, attorney’s fees, court costs, collection expenses or official fees. Whenever either of such terms is required to be used under the provisions of this chapter the other may be used interchangeably.

(11) "Unpaid balance" means the cash sale price of the goods or services which are the subject matter of the retail installment sale, plus the amounts, if any, included in a retail installment sale for insurance and official fees, minus the amount of the buyer’s down payment in money or goods.

(12) "Time balance" means the total of the unpaid balance and the amount of the service charge, if any.

(13) "Holder" means the retail seller who acquires a retail installment contract or installment account executed, incurred or entered into by a retail buyer, or if the contract or installment account is purchased by a financing agency or other assignee, the financing agency or other assignee. The term does not include the pledgee of or the holder of a security interest in an aggregate number of such contracts or installment accounts to secure a bona fide loan thereon, unless the pledgee shall have perfected his pledgee’s rights after default by his pledgor.

(14) "Official fees" means the fees required by law and actually to be paid to the appropriate public officer to perfect a lien or other security interest, on or in goods, retained or taken by a seller under a retail installment contract or installment account.

(15) "Person" means an individual, partnership, corporation, association or other group, however organized.
(16) "Financing agency" means a person engaged in this State in whole or in part in the business of purchasing retail installment contracts, or installment accounts from one or more retail sellers. The term includes but is not limited to a bank, trust company, private banker, or investment company, if so engaged. (6 Del. C. 1953, § 4301; 52 Del. Laws, c. 342; 58 Del. Laws, c. 168.)

§ 4302. Waiver prohibited; separability; transactions not covered.

Any waiver of the buyer of this chapter shall be deemed contrary to public policy and shall be unenforceable and void.

If this chapter or the application thereof to any person or circumstances is held unconstitutional, the remainder of the chapter and the application of such provision to other persons or circumstances shall not be affected thereby.

Except as provided in § 4315 of this title, this chapter shall not apply to any retail installment sale which is made for a cash sale price of $75 or less, where no title, lien or other security interest is retained or taken by the seller. This section shall not apply to sales made pursuant to the provisions of §§ 4334-4343 of this title. (6 Del. C. 1953, § 4302; 52 Del. Laws, c. 342.)

Subchapter II. Provisions of Retail Installment Contracts

Omitted.

Subchapter III. Restrictions on Retail Installment Contracts

Omitted.

Subchapter IV. Service Charge Limitations

§ 4315. Service Charges Authorized.*

A retail seller or the holder of a retail installment contract may charge and collect a service charge in respect of a retail installment sale and may calculate such service charge in the manner and at the rate or rates specified in the contract governing the sale. (6 Del. C. 1953, § 4315; 52 Del. Laws, c. 342; 62 Del. Laws, c. 228, §§ 8, 9; 63 Del. Laws, c. 2, § 16.)

§ 4316. Period of installment payments.

Contracts may be payable in successive monthly, semimonthly or weekly installments. (6 Del. C. 1953, § 4316; 52 Del. Laws, c. 342.)
§ 4317. Charges included in contract service charge; additional charges prohibited.*

The service charge shall be inclusive of all charges incident to investigating and making the contract and for the extension of the credit provided for in the contract, and no fee, expense or other charge whatsoever shall be taken, received, reserved or contracted for except as otherwise provided in this chapter. (6 Del. C. 1953, § 4318; 52 Del. Laws, c. 342; 63 Del. Laws, c. 2, § 16.)

§ 4318.*

Renumbered as § 4317, by 63 Del. Laws, c. 2, § 16.

§ 4319.*

Repealed by 63 Del. Laws, c. 2, § 16.

Subchapter V. Payments

§ 4320. Payment to last known holder as discharge of buyer in absence of notice of assignment.

Unless the buyer has notice of actual or intended assignment of a contract or installment account, payment thereunder made by the buyer to the last known holder of such contract or installment account, shall to the extent of the payment, discharge the buyer’s obligation. (6 Del. C. 1953, § 4320; 52 Del. Laws, c. 342.)

§ 4321. Periodic statements of account.

At any time after its execution, but not later than one year after the last payment made thereunder, the holder of a contract shall, upon written request of the buyer made in good faith, promptly give or forward to the buyer a detailed written statement which will state with accuracy the total amount, if any, unpaid thereunder. Such a statement shall be supplied by the holder once each year without charge; if any additional statement is requested by the buyer, the holder shall supply such statement to the buyer at a charge not exceeding $1 for each additional statement supplied to the buyer. The provisions of this section shall not apply to those transactions wherein, instead of periodic statements of account, the buyer is provided with a passbook, payment book or coupon book in which all payment, credits, charges and the unpaid balance are indicated. (6 Del. C. 1953, § 4321; 52 Del. Laws, c. 342.)
§ 4322. Prepayment.*

(a) A buyer may prepay the debt due under a retail installment contract in full at any time.

(b) If the service charge imposed pursuant to § 4315 of this subchapter in respect of a retail installment sale has been precomputed and taken in advance, then, in the event of prepayment of the entire indebtedness, the holder shall refund to such buyer the unearned portion of the precomputed service charge. This refund shall be in an amount not less than the amount which would be refunded if the unearned precomputed service charge were calculated in accordance with the actuarial method, except that the buyer shall not be entitled to a refund which is less than one dollar. The unearned portion of the precomputed service charge is, at the option of the holder, either:

(1) That portion of the precomputed service charge which is allocable to all originally scheduled or, if deferred, all deferred payment periods, or portions thereof, ending subsequent to the date of prepayment. The unearned precomputed service charge is the total of that which would have been earned for each such period, or portion thereof, had the debt due under the retail installment contract not been precomputed, by applying to unpaid balances, according to the actuarial method, an annual percentage rate based on the precomputed service charge, assuming that all payments were made as scheduled, or as deferred, if deferred. The holder, at its option, may round this annual percentage rate to the nearest one-quarter of one percent; or

(2) The total precomputed service charge less the earned precomputed service charge. The earned precomputed service charge shall be determined by applying an annual percentage rate based on the total precomputed service charge, under the actuarial method, to the unpaid balances for the actual time those balances were unpaid up to the date of prepayment.

(c) As used in subsection (b) of this section:

(1) "Actuarial method" means the method of allocating payments made on a debt due under a retail installment contract between the outstanding balance of the indebtedness and the service charge pursuant to which a payment is applied first to the accumulated service charge and any remainder is subtracted from the outstanding balance of the indebtedness.

(2) "Payment period" means the time period within which periodic installment payments of the indebtedness are due under the terms of a retail installment contract.
(d) If a charge was made to a buyer for premiums for insuring such buyer in respect of a retail installment contract, then, in the event of prepayment, the holder shall refund to such buyer the excess of the charge to such buyer therefor over the premiums paid or payable to the holder, if such premiums were paid or payable by the holder periodically, or the refund for such insurance premium received or receivable by the holder if such premium was paid or payable in a lump sum by the holder, provided that no such refund shall be required if it amounts to less than one dollar.

(e) In connection with any prepayment of a debt due under a retail installment contract, a holder may not impose any prepayment charge. (6 Del. C. 1953, §4322; 52 Del. Laws, c. 342; 63 Del. Laws, c. 2, §17.)

§ 4323. Acknowledgment of payment in full; release of security in goods.

After the payment of all sums for which the buyer is obligated under a contract and upon demand made by the buyer, the holder shall deliver, or mail to the buyer at his last known address, such one or more good and sufficient instruments as may be necessary to acknowledge payment in full and to release all security in the goods under such contract. (6 Del. C. 1953, §4323; 52 Del. Laws, c. 342.)

Subchapter VI. Refinancing and Consolidation

§ 4324. Deferred Installments.

A holder may at any time or from time to time permit a buyer to defer installment payments due under the terms of a retail installment contract and may, in connection with such deferral, charge and collect deferral charges and may also require payment by such buyer of the additional cost to the holder of premiums for continuing in force, until the end of such period of deferral, any insurance coverage provided in connection with the contract. (6 Del. C. 1953, §4324; 52 Del. Laws, c. 342; 63 Del. Laws, c. 2, §18.)

§ 4325. Refinancing of unpaid balance; charges; agreement for refinancing.

The holder of a retail installment contract or contracts may, upon agreement in writing with the buyer, refinance the payment of the unpaid time balance or balances of the contract or contracts by providing for a new schedule of installment payments. The holder may charge and contract for the payment of a refinance charge by the buyer and collect and receive the same, but such refinance charge (1) shall be based upon the amount refinanced, plus any additional cost of insurance and of official
fees incident to such refinancing, after the deduction of a refund credit in an amount equal to that to which the buyer would have been entitled under § 4322 of this title, if he has prepaid in full his obligations under the contract or contracts, but in computing such refund credit there shall not be allowed the minimum earned service charge as authorized by such section, and (2) may not exceed the rate of service charge provided under §§ 4315-4319 of this title. Such agreement for refinancing may also provide for the payment by the buyer of the additional cost to the holder of the contract or contracts of premiums for continuing in force, until the maturity of the contract or contracts as refinanced, any insurance coverages provided for therein, subject to § 4305 of this title. The refinancing agreement shall set forth the amount of the unpaid time balance or balances to be refinanced, the amount of any refund credit, the amount to be refinanced after the deduction of the refund credit, the amount of the service charge under the refinancing agreement, any additional cost of insurance and of official fees to the buyer, the new unpaid time balance and the new schedule of installment payments. Where there is a consolidation of 2 or more contracts then §§ 4327 and 4328 of this title shall apply. (6 Del. C. 1953, § 4325; 52 Del. Laws, c. 342.)

§ 4326. Default in payment of certain installments; buyer entitled to new payment schedule.

In the event a contract provides for the payment of any installment which is more than double the amount of the average of the preceding installment, the buyer, upon default of this installment, shall be given an absolute right to obtain a new payment schedule. Unless agreed to by the buyer, the periodic payments under the new schedule shall not be substantially greater than the average of the preceding installments. (6 Del. C. 1953, § 4326; 52 Del. Laws, c. 342.)

Subchapter VII. Add-On Sales

Omitted.

Subchapter VIII. Terms of Purchase by Financing Agency

§ 4333. Purchase of contract by financing agency authorized; notice of assignment not required.

Notwithstanding any contrary provision of this title, a financing agency may purchase a retail installment contract or installment account from a seller on such terms and conditions and for such price as may be mutually agreed upon. No filing of notice or of the assignment, no notice to the buyer of the assignment, and no requirement that the seller be deprived of dominion over payments upon the contract or installment account
or over the goods if repossessed by the seller, shall be necessary to the validity of a written assignment of a contract or installment account as against creditors, subsequent purchasers, pledgees, mortgagees or encumbrancers of the seller, except as may otherwise be required by law. (6 Del. C. 1953, § 4333; 52 Del. Laws, c. 342.)

Subchapter IX. Retail Installment Accounts

§ 4334. Establishment of retail installment account authorized; statement of service charges to be furnished to buyer.

A retail installment account may be established by the seller upon the request of a buyer or prospective buyer. The statement that “service charges not in excess of those permitted by law will be charged on the outstanding balances from month to month,” shall be printed in type no smaller than 8 point in every application form used by the seller and shall be stated to the applicant when such installment accounts are negotiated by telephone. (6 Del. C. 1953, § 4334; 52 Del. Laws, c. 342.)

§ 4335. Confirmation of account by seller; contents; proof of mailing.

(a) At the time a seller accepts the credit of the buyer and establishes a retail installment account for his use, the seller shall confirm this fact to the buyer in writing. Such confirmation shall contain a clear and understandable statement of the rates of service charge, without regard to the variations contained in § 4337 of this title, which will be collected from the buyer, but may contain the clause that such rates are subject to change if permitted by law. This confirmation shall also contain a legend that the buyer may at any time pay his entire balance.

(b) The confirmation shall be in type no smaller than elite type-writer characters.

(c) If no copy of the confirmation is retained by the seller, a notation in his permanent record showing that such confirmation was mailed, and the date of mailing, shall serve as prima facie evidence of such mailing. (6 Del. C. 1953, § 4335; 52 Del. Laws, c. 342.)

§ 4336. Display of service charge rates by seller.

Each retail seller, before he can avail himself of the service charges permitted by this subchapter, shall display prominently in his main place of business and in each branch thereof, a statement outlining the service charge rates which will conform to § 4337 of this title. (6 Del. C. 1953, § 4336; 52 Del. Laws, c. 342.)
§ 4337. Service Charge.*

Subject to the other provisions of this subchapter a retail seller or the holder of a retail installment account may charge and collect a service charge computed on the outstanding unpaid indebtedness in a buyer's retail installment account and may calculate such service charge in the manner and at such daily, weekly, monthly, annual or other periodic percentage rate or rates as the agreement governing retail installment account provides; provided, however, that if the service charge as so computed is less than one dollar for any month, the holder may charge one dollar as a service charge for such month. If the applicable periodic percentage rate under the agreement governing a retail installment account is other than daily, the service charge may be calculated on an amount not in excess of the average of outstanding unpaid indebtedness for the applicable billing period, determined by dividing the total of the amounts of outstanding unpaid indebtedness for each day in the applicable billing period by the number of days in the billing period. If the applicable periodic percentage rate under the agreement governing the retail installment account is monthly, a billing period shall be deemed to be a month or monthly if the last day of each billing period is on the same day of each month or does not vary by more than four days therefrom. (6 Del. C. 1953, § 4337; 52 Del. Laws, c. 342; 62 Del. Laws, c. 228, §§ 10, 11; 63 Del. Laws, c. 2, § 19.)

§ 4338. Monthly statement of account.

(a) The seller or holder of a retail installment account shall promptly provide the buyer with a statement as of the end of each monthly period (which need not be a calendar month) setting forth the following:

1. The balance due to the seller or holder from the buyer at the beginning of the monthly period;

2. The dollar amount of each purchase by the buyer during the monthly period and (unless a sales slip or memorandum of each purchase has previously been furnished the buyer or is attached to the statement), the purchase or posting date, a brief description and the cash price of each purchase;

3. The payments made by the buyer to the seller or holder and any other credits to the buyer during the monthly period;

4. The amount of the service charge;

5. The total balance in the account at the end of the monthly period;

6. A legend to the effect that the buyer may at any time pay his total balance.
§ 4339. Charges included installment account service charge; additional charges prohibited.

The service charge shall include all charges incident to investigating and making the retail installment account. No fee, expense, delinquency, collection or other charge whatsoever shall be taken, received, reserved or contracted by the seller or holder of a retail installment account except as provided in this section. A seller may, however, in an agreement which is signed by the buyer and of which a copy is given or furnished to the buyer provide for the payment of attorney's fees and costs in conformity with § 4345 of this title. (6 Del. C. 1953, § 4339; 52 Del. Laws, c. 342.)

§ 4340. Insurance; cost and procurance of.

If the cost of any insurance is to be separately charged to the buyer, there shall be an agreement to that effect, signed by both the buyer and the seller, a copy of which shall be given or furnished to the buyer. Such agreement shall state whether the insurance is to be procured by the buyer or the seller or holder. If the insurance is to be procured by the seller or holder, the seller or holder shall comply with the provisions of § 4307 of this title. (6 Del. C. 1953, § 4340; 52 Del. Laws, c. 342.)

§ 4341. Security interest of seller in goods.

Nothing in this subchapter prohibits the execution of an agreement between a buyer and seller whereby the seller retains a security interest in goods sold to the buyer until full payment therefor has been made. Section 4328 of this title shall apply to goods sold under such an agreement. (6 Del. C. 1953, § 4341; 52 Del. Laws, c. 342.)

§ 4342. Notes cutting off buyer's right of action or defense against seller prohibited.

No retail installment account shall require or entail the execution of any note or series of notes by the buyer which, when separately negotiated, will cut off as to third parties, any right of action or defense which the buyer may have against the seller. (6 Del. C. 1953, § 4342; 52 Del. Laws, c. 342.)

§ 4343. Application of other sections to retail installment accounts.

The provisions of §§ 4320 and 4323 of this title shall apply to retail installment accounts. (6 Del. C. 1953, § 4343; 52 Del. Laws, c. 342.)
Subchapter X. Attorney's Fees and Court Costs
Omitted.

Subchapter XI. Attachment
Omitted.

Subchapter XII. Repossession and Resale
Omitted.

Subchapter XIII. Penalties
Omitted.

Subchapter XIV. Disclosures
Omitted.
TITLE 30
STATE TAXES

PARTS I-V ARE OMITTED

PART VI
MISCELLANEOUS TAXES

§ 6301. Definitions.*

As used in this chapter:

(a) "Affiliated finance company" means a corporation substantially all of whose activity within this State is limited to the issuance of commercial paper or other debt obligations and use of the proceeds to make loans to one or more of its affiliated corporations or to purchase receivables from one or more of its affiliated corporations.

(b) "Affiliated corporations" means two or more corporations which are members of a controlled group of corporations as defined in Section 1563 of the Internal Revenue Code of 1954. (63 Del. Laws, c. 2, § 23.)

§ 6302. License Requirement.*

No corporation shall carry on business as an affiliated finance company after May 1, 1981 without an unexpired license issued by the Secretary of Finance authorizing the conduct of such business. The license shall be issued by the Secretary of Finance for each calendar year. Upon payment of the tax imposed by § 6303 of this Title, the Secretary shall issue the license with respect to each calendar year. (63 Del. Laws, c. 2, § 23.)

§ 6303. Imposition of Tax.*

The tax payable by an affiliated finance company shall be in accordance with the following table:

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<th>Capital Base</th>
<th>License Fee</th>
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</thead>
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<td>$10,000</td>
</tr>
<tr>
<td>$100,000,000 to $224,999,999.99</td>
<td>$15,000</td>
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<tr>
<td>$225,000,000 to $749,999,999.99</td>
<td>$25,000</td>
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<tr>
<td>Over $750,000,000</td>
<td>$50,000</td>
</tr>
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