



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF BANKING AND SECURITIES
Anchorage Office

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RE: Alaska Small Loans Act
AS 06.20
Out-of-State Lenders

Alaska Small Loans Act (ASLA) is a special usury statute that regulates loans up to \$25,000. ASLA applies to loans within its parameters made to borrowers physically located in Alaska at the time the loan transaction is completed. This means that lenders of small loans outside of Alaska that do not maintain a physical presence within the state are still subject to ASLA. In 1994, the Attorney General issued an advisory opinion suggesting that ASLA did not apply to out-of-state lenders. The 1994 Opinion is over 25 years old and is inconsistent with modern legal authorities in the era of online commerce.

The Division's position is that out-of-state lenders must comply with ASLA in order to provide lending services related to small loans covered under ASLA. This is consistent with authority at both the state and federal level affirming state regulation of the types of loans covered by ASLA.¹

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[Footnote 1]: See, e.g. *Quik Payday, Inc. v. Stork*, 549 F.3d 1302 (10th Cir. 2008); *South Dakota v. Wayfair, Inc.*, 138 S.Ct. 2080 (2018).