

**Opinion No. 22**

**STATE EXAMINER; Powers; Consumer Loan Act—CHAPTER 283, Laws of 1959—Article I, Section 10 and Article III, Section 11, Montana Constitution**

**Held: The Montana Consumer Loan Commissioner does not have authority to regulate loans entered into before July 1, 1959, by firms or individuals who are now licensees under the Consumer Loan Act.**

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August 12, 1959

Mr. R. E. Towle  
Consumer Loan Commissioner  
Capitol Building  
Helena, Montana

Dear Mr. Towle:

You have requested my opinion whether the Consumer Loan Commissioner may regulate loans entered into before July 1, 1959 by firms or individuals who are now licensees under the Consumer Loan Act.

The Montana Consumer Loan Act was passed by the 1959 Legislative Session as Chapter 283, Laws of 1959. This act was effective July 1, 1959. The act contains no language that can reasonably be interpreted as authorizing the Consumer Loan Commissioner to regulate loans entered into before the effective date of this act.

It is a well settled rule of law that "In construing statutes every statute must be given effect, when possible." *State v. Callow*, 254 P. 187, 78 Mont. 308.

A strained construction of the Montana Consumer Loan Act, given the Loan Commissioner the power to regulate loans entered into before July 1, 1959, by firms or individuals who are now licensees under the Act would render the Act unconstitutional as violating Section 11, Article III and Section 10, Article I of the Montana Constitution. These Constitutional articles prevent laws impairing the obligations of contract and *ex post facto* laws.

I have read regulation Number 6 issued pursuant to your duties under this act. It is my opinion that this is a valid regulation if interpreted as regulating only those loans entered into by licensees after July 1, 1959.

It is therefore my opinion that the Montana Consumer Loan Commissioner does not have authority to regulate loans entered into before July 1, 1959, by firms or individuals who are now licensees under the Consumer Loan Act.

Very truly yours,  
FORREST H. ANDERSON  
Attorney General