§ 5-526. Interest on secured loans or forbearances. 1. Interest charged on loans or forbearances made to corporations for business or commercial purposes in the amount of one hundred thousand dollars or more and secured in compliance with the uniform commercial code shall not be subject to the limitations of this title or sections 190.40 and 190.42 of the penal law, if on the date when the interest is charged or accrued, such interest is not greater than eight percentage points above the prime rate.

2. Such secured loans or forbearances which are made or advanced to any one corporate borrower in one or more installments pursuant to a written agreement which provides for either discretionary or mandatory advances by one or more lenders shall be deemed to be a single loan or forbearance for the total amount which the lender or lenders have advanced, if such advances are discretionary, or have agreed to advance, if such advances are mandatory, pursuant to such agreement on the terms and conditions provided therein.

3. For purposes of this section, the loan or forbearance transaction must create a security interest as set forth in section 9--109 of the uniform commercial code and must be filed pursuant to article nine of such code unless filing is not required pursuant to section 9--310 of such code, or (b) must create a security interest set forth in section 9--110 of such code.

4. For purposes of this section, the prime rate shall equal the average prime rate on short term business loans which is published by the board of governors of the federal reserve system for the most recent week which was publicly available from the board of governors of the federal reserve system on the previous business day.