

VIRGINIA ACTS OF ASSEMBLY -- 2001 SESSION

CHAPTER 743

An Act to amend and reenact § 6.1-330.60 of the Code of Virginia, relating to charges on certain loans.

[S 1079]

Approved March 26, 2001

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-330.60 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-330.60. Charges by banks and savings institutions; installment loans.

A. Notwithstanding any statute or *other law relating to interest or usury, any loan made by, a bank or savings institution payable in weekly, monthly or other periodic installments may be lawfully enforced as agreed in the contract of indebtedness. In addition to the foregoing, a loan fee not exceeding two percent of the principal amount of the loan may also be charged or collected in advance from the borrower. An interest rate charged in advance upon the entire principal amount of the loan or pursuant to a written modification agreement shall be lawful making a loan payable in installments may impose finance charges and other charges and fees at such rates and in such amounts and manner as may be agreed by the borrower.* The provisions of this section shall also apply to loans for the purpose of financing the purchase of a motor vehicle, made by a subsidiary or affiliate of a bank or savings institution that is not a licensee under the provisions of the Consumer Finance Act (§ 6.1-244 et seq.).

B. Notwithstanding any statute or law relating to interest or usury, including the deferral and capitalization of interest, any loan made by a bank or savings institution to defray educational expenses, including, but not limited to, tuition, fees, books, supplies, room, board, and personal expenses, shall be lawfully enforced as agreed in the contract of indebtedness.