

2004 SESSION

INTRODUCED

045123216

HOUSE BILL NO. 1066

Offered January 14, 2004

Prefiled January 14, 2004

A BILL to amend and reenact § 6.1-330.78:1 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 6.1-330.78:2, relating to charge on option financing contracts; charge on financing of delinquent rent.

Patron—Armstrong

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-330.78:1 of the Code of Virginia is amended and reenacted, and that the Code of Virginia is amended by adding a section numbered 6.1-330.78:2 as follows:

§ 6.1-330.78:1. Charge on option financing contracts.

A. No person shall, by way of defense or otherwise, avail himself of the provisions of this chapter, or any other section or case law relating to usury or compounding of interest, to avoid or defeat the payment of interest, or any other sum, in connection with a loan made to a person pursuant to a stock option financing program, pursuant to which a lender finances the option holder's exercise of the option to purchase stock, which exercise is financed through such means as purchasing the stock on margin, selling sufficient shares of the stock to cover the total exercise cost, or selling the full quantity of stock to cover the total exercise cost.

B. No person shall, by way of defense or otherwise, avail himself of the provisions of this chapter, or any other section or case law relating to usury or compounding of interest, to avoid or defeat the payment of interest, or any other sum, in connection with a loan made to a person pursuant to an option to purchase real property under which a lender finances the option holder's exercise of the option to purchase real property.

§ 6.1-330.78:2. Charge on financing of delinquent rent.

No person shall, by way of defense or otherwise, avail himself of the provisions of this chapter, or any other section or case law relating to usury or compounding of interest, to avoid or defeat the payment of interest, or any other sum, in connection with the financing by a landlord of his current or former tenant's delinquent obligation to pay rent to the landlord, provided that such financing of the delinquent rental obligation shall be evidenced by a promissory note executed by the tenant that clearly states the interest accruing on the obligation, expressed as an annual percentage rate.

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