

VIRGINIA ACTS OF ASSEMBLY -- 2006 SESSION

CHAPTER 753

An Act to amend and reenact § 6.1-330.64 of the Code of Virginia, relating to credit union loans.

[S 529]

Approved April 5, 2006

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-330.64 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-330.64. Credit union loans.

A. A credit union may make loans to its members and to other credit unions. Notwithstanding any other statute or provision relating to interest or usury, any credit union may charge interest as agreed by the borrower provided such interest is not charged in advance.

B. 1. Any credit union contract for revolving credit or any plan which permits an obligor to avail himself of the credit so established may provide for computation of any finance charges by application of a rate, at the option of the credit union, to:

- a. The average daily balance for the period ending on the billing date;
- b. The balance existing on the billing date of the month; or
- c. Any other balance which does not result in the credit union charging or receiving any sum in excess of what would be charged or received under item a or b of this subdivision.

2. No finance charge shall be imposed unless the bill is mailed not later than eight days (excluding Saturdays, Sundays and holidays) after the billing date, except that such time limitation shall not apply in any case where the credit union has been prevented, delayed, or hindered in mailing or delivering the bill within such time period because of an act of God, war, civil disorder, natural disaster, strike, or other excusable or justifiable cause.

3. In the event of the extension of credit by a credit union hereunder to be effected by the use of a credit card for the purchase of merchandise or services, no finance charge shall be imposed upon the member or cardholder on such extension of credit if payment in full of the unpaid balance owing for extensions of credit for merchandise or services is received at the place designated by the credit union prior to the next billing date, which shall be at least twenty-five days later than the prior billing date.

4. As used in this section, "average daily balance" means, for any billing period, that amount which is the sum of the actual amounts outstanding each day during the billing period divided by the number of days in the billing period.

C. Notwithstanding any provision of this chapter other than § 6.1-330.71, a credit union engaged in the extension of credit under an open-end credit or similar plan under which a finance charge is imposed upon the obligor, if payment in full of the unpaid balance is not received at the place designated by the creditor prior to the next billing date, which shall be at least 25 days later than the prior billing date, may impose finance charges and other charges and fees at such rates and in such amounts and manner as may be agreed upon by the credit union and the obligor.