

State Corporation Commission 2006 Fiscal Impact Statement

1. Bill Number HB912

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Oder

3. Committee Stricken from House Calendar

4. Title Payday loan act.

5. Summary/Purpose:

The measure (i) prohibits a payday lender from making a payday loan to a borrower if the borrower has another payday loan outstanding until the next day or following the borrower's payment of another payday loan; (ii) making a payday loan to a borrower if the proceeds of the payday loan will be used in whole or in part to repay an outstanding payday loan; (iii) prohibits a lender from engaging in any unfair, misleading, deceptive, or fraudulent acts or practices in the making or collecting of a payday loan; (iv) requires a lender, when collecting or attempting to collect a payday loan when the check given as security for such loan is dishonored, to comply with the provisions of the Fair Debt Collection Practices Act that apply to debt collectors; and (v) provides that any provision of a written loan agreement that violates the Payday Loan Act is unenforceable against the borrower.

6. Fiscal Impact Estimates are not available. See Item # 8.

7. Budget amendment necessary: No.

8. Fiscal implications: Exact fiscal impact figures cannot be determined without further detailed study. However, more frequent and targeted examinations of licensees would likely be necessary to enforce creating significant fiscal implications. Amendments or substitutes to the legislation could significantly change fiscal impact estimates.

9. Specific agency or political subdivisions affected: Bureau of Financial Institutions, State Corporation Commission.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 02/16/06 E. J. Face, Jr.

cc: Secretary of Commerce and Trade