

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number: HB2819

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

2. Patron: Sickles

3. Committee: Commerce and Labor

4. Title: Payday loans; notice of alternative lenders

5. Summary/Purpose: The bill requires licensed payday lenders to place a signboard at each licensed payday lending location on which not-for-profit charitable organizations that are willing to make unsecured loans of up to \$500 may post a notice advising persons about their alternative to payday loans. In addition, licensed payday lenders are required to allow financial institutions to place brochures or pamphlets regarding alternative loan programs within payday lending locations.

6. No fiscal impact.

7. Budget amendment necessary: No.

8. Fiscal implications:

Violations of the Payday Loan Act are subject to penalty under the provisions of the Virginia Consumer Protection Act. In addition to providing for damage awards to individuals, the Virginia Consumer Protection Act also provides for civil penalties and attorney's fees. Those penalties can be of up to \$2,500 per violation and go to the Literary Fund. If a person violates an assurance of voluntary compliance or an injunction issued pursuant to the Act, he can be subject to a civil penalty of up to \$5,000 per violation, which also go to the Literary Fund. In addition, the authorities prosecuting the case may recover additional costs for investigative expenses and attorney's fees. The additional costs go into the general fund of the Commonwealth or the corresponding locality.

9. Specific agency or political subdivisions affected: Virginia Department of Agriculture and Consumer Services.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/19/07 kbs

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cc: Secretary of Agriculture and Consumer Services