

2008 SESSION

INTRODUCED

080073653

HOUSE BILL NO. 1377

Offered January 9, 2008

Prefiled January 9, 2008

A BILL to amend and reenact §§ 6.1-460 and 6.1-461 of the Code of Virginia, relating to payday loan charges.

Patrons—Morrissey and Bouchard

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 6.1-460 and 6.1-461 of the Code of Virginia are amended and reenacted as follows:

§ 6.1-460. Interest charges.

A licensee ~~may~~ shall not charge, as a fee for each on any payday loan, an amount not to exceed fifteen percent of the amount of the loan proceeds advanced to the borrower interest, whether designated as a fee or otherwise, at an annual rate that exceeds 36%.

§ 6.1-461. Additional charges.

In addition to the loan principal and the fee interest permitted under § 6.1-460, no further or other amount whatsoever shall be directly or indirectly charged, contracted for, collected, received or recovered except (i) any deposit item return fee incurred by the licensee, not to exceed \$25, if the check given by the borrower as security is returned because the account on which it was drawn was closed by the borrower or contained insufficient funds, or the borrower stopped payment on the check, and (ii) if judgment is obtained against the borrower, court costs and reasonable attorneys' fees if awarded by the court, incurred as a result of the returned check in an amount not to exceed \$250. A licensee shall not be entitled to collect or recover from a borrower any sum otherwise permitted pursuant to §§ 6.1-330.54, 8.01-27.2, or § 8.01-382.

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