

2009 SESSION

HOUSE SUBSTITUTE

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HOUSE BILL NO. 1709

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Commerce and Labor
on February 5, 2009)

(Patron Prior to Substitute—Delegate Oder)

A BILL to amend and reenact § 6.1-463 of the Code of Virginia, relating to lending activities of payday lenders.

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-463 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-463. Other business.

A. No licensee shall conduct the business of making payday loans under this chapter at any office, suite, room, or place of business where any other business is solicited or conducted except a registered check cashing business or such other business as the Commission determines should be permitted, and subject to such conditions as the Commission deems necessary and in the public interest. No such other business shall be allowed except as permitted by Commission regulation or upon the filing of a written application with the Commission, payment of a \$300 fee, and provision of such information as the Commission may deem pertinent. The Commission shall not, however, permit the sale of insurance or the enrolling of borrowers under group insurance policies.

B. Any unsecured loan or unsecured extension of credit, with an annual interest rate in excess of 36 percent, that involves the licensee holding a check or the borrower granting the licensee the right to obtain funds electronically through an automated clearing house shall be deemed to be a payday loan. For purposes of this section, holding a check from a borrower or right by a licensee to access funds of a borrower electronically through an automated clearing house shall not be deemed a security interest.

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