

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB1709

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

2. Patron: Oder

3. Committee: Passed both houses

4. Title: Payday lenders prohibited from making open-ended loans.

5. Summary: The bill prohibits licensed payday lenders from extending credit under open-end credit plans. Third parties are prohibited from making such loans at a payday lender's place of business. The prohibition does not apply to such loans if secured by a lien on a motor vehicle title. If a licensed payday lender relinquishes its license and then makes open-end loans, it may not be re-licensed to make payday loans for a period of 10 years.

6. Fiscal Impact Estimates: The bill has no fiscal impact.

7. Budget Amendment Necessary: No

8. Fiscal Implications: None

9. Specific Agency or Political Subdivisions Affected: The Department of Labor and Industry

10. Technical Amendment Necessary: No

11. Other Comments: The second enactment clause states that nothing in subsection E of §6.1-330.78 of the Code of Virginia shall prohibit the collection of any outstanding loan or extension of credit made under §6.1-330.78 by licensee, as defined in §6.1-444 of the Code of Virginia, in accordance with the terms of a loan agreement made prior to the effective date of this act; however, no additional extensions of credit or advances shall be made under such a loan agreement on or after the effective date of this act.

This bill is identical to SB 1470.

Date: 3/11/2009 dpbbrb

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cc: Secretary of Commerce and Trade