

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: HB1809

House of Origin X Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Morrissey

3. Committee: Commerce and Labor

4. Title: **Consumer Finance Act; open-end loan plans secured by motor vehicle titles.**

5. Summary: Consumer Finance Act; revolving loans; motor vehicle as security. Makes loans to an individual for personal, family, or household purposes that are secured by a nonpurchase-money security interest in a motor vehicle subject to the provisions of the Consumer Finance Act. Licensees under the Act are prohibited from charging interest of more than 36 percent annually on such loan balances and are required to comply with the existing 25-day grace period. The measure also provides that other types of extensions of credit under an open-end credit or similar plan by a seller or lender, under which interest currently may be charged at any rate on which the parties agree, may be made only by sellers of goods or services or by certain licensed or regulated financial institutions.

6. Fiscal Impact Estimates: No fiscal impact.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: None.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission's Bureau of Financial Institutions.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/16/2009 E.J. Face

cc: Secretary of Commerce and Trade