

State Corporation Commission 2013 Fiscal Impact Statement

1. Bill Number: HB1986

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: Helsel

3. Committee: Commerce and Labor

4. Title: Open-end credit plan loans.

5. Summary: Open-end credit plan loans. Establishes requirements for open-end credit plan loans, which are revolving loans made under an open-end credit or similar plan under which a finance charge is imposed only if the obligor fails to repay the loan in full prior to the next billing date, which must be at least 25 days after the date the agreement is entered into and at least 25 days after the prior billing date. Persons making open-end credit plan loans are required to be licensed by the State Corporation Commission and are required to post a bond or equivalent instrument approved by the Commission. A violation of the measure is a prohibited practice under the Consumer Protection Act. The existing provision authorizing certain open-end loans to be at unlimited interest rates is limited to loans for the sole purpose of financing the bona fide purchase price of goods to be used for personal, family, or household purposes. The measure becomes effective on October 1, 2013.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Fiscal Impact estimates are not available. See Item 8.

8. Fiscal Implications: Exact fiscal impact figures cannot be obtained without further, detailed analysis. The fiscal impact will likely include additional personnel, equipment, and modifications to current computer systems.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is in Subcommittee #1 of House Commerce and Labor.

Date: 1/14/13 E. J. Face, Jr.