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HOUSE BILL NO. 1800

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Joint Conference Committee on February 26, 2015)

(Patron Prior to Substitute—Delegate Villanueva)

A BILL to amend and reenact §§ 6.2-313 and 6.2-318 of the Code of Virginia, relating to open-end credit extended by banks, savings institutions, and credit unions.

Be it enacted by the General Assembly of Virginia:

1. That §§ 6.2-313 and 6.2-318 of the Code of Virginia are amended and reenacted as follows:

§ 6.2-313. Open-end credit extended by banks or savings institutions.

A. Notwithstanding any statutory or case law, any bank or savings institution may impose finance charges and other charges and fees at such rates and in such amounts and manner as may be agreed by the borrower under an open-end credit plan.

B. In the event of the extension of credit by a bank or savings institution hereunder to be effected by the use of a credit card for the purchase of merchandise or services, no finance charge shall be imposed upon the cardholder or borrower on such extension of credit if payment in full of the unpaid balance owing for all extensions of credit under the open-end credit plan is received at the place designated by the creditor prior to the ~~next billing~~ *payment due* date, which shall be at least 25 days later than the ~~prior~~ billing date.

§ 6.2-318. Loans by credit unions.

A. As used in this section, "average daily balance" means, for any billing period, that amount which is the sum of the actual amounts outstanding each day during the billing period divided by the number of days in the billing period.

B. Notwithstanding any other statute or provision relating to interest or usury, any credit union may charge interest as agreed by the borrower provided such interest is not charged in advance.

C. Any open-end credit plan offered by a credit union shall provide:

1. For computation of any finance charges by application of a rate, at the option of the credit union, to:

a. The average daily balance for the period ending on the billing date;

b. The balance existing on the billing date of the month; or

c. Any other balance which does not result in the credit union charging or receiving any sum in excess of what would be charged or received under subdivision a or b;

2. That no finance charge shall be imposed unless the bill is mailed not later than eight days, excluding Saturdays, Sundays and holidays, after the billing date, except that such time limitation shall not apply in any case where the credit union has been prevented, delayed, or hindered in mailing or delivering the bill within such time period because of an act of God, war, civil disorder, natural disaster, strike, or other excusable or justifiable cause; and

3. That in the event of the extension of open-end credit by a credit union to be effected by the use of a credit card for the purchase of merchandise or services, no finance charge shall be imposed upon the member or cardholder on such extension of credit if payment in full of the unpaid balance owing for extensions of credit for merchandise or services is received at the place designated by the credit union prior to the ~~next billing~~ *payment due* date, which shall be at least 25 days later than the ~~prior~~ billing date.

D. Notwithstanding any provision of this chapter other than § 6.2-327 *and subsection C*, a credit union engaged in extending credit under an open-end credit plan may impose, on credit extended under the plan, finance charges and other charges and fees at such rates and in such amounts and manner as may be agreed upon by the credit union and the obligor, if under the plan a finance charge is imposed upon the obligor ~~if payment in full of the unpaid balance is not received at the place designated by the creditor prior to the next billing date, which shall be at least 25 days later than the prior billing date~~.

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