

State Corporation Commission 2016 Fiscal Impact Statement

1. Bill Number: HB1075

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: Yancey

3. Committee: Commerce and Labor

4. Title: Consumer finance loans; rate of interest.

5. Summary: Consumer finance loans; rate of interest. Caps the maximum rate of interest that a licensed consumer finance company may charge on any loan at 36 percent annually. The measure eliminates the existing provision that permits such licensees to charge any agreed-upon amount of interest on consumer finance loans over \$2,500. The measure also limits the late charge that a licensee may charge to the greater of \$20 or five percent of the unpaid installment. Currently, such late charges may not exceed five percent of the unpaid installment. Finally, the measure extends the grace period that must elapse before a late charge may be assessed from seven to 10 calendar days. The measure does not prohibit the collection of an outstanding loan made prior to the measure's effective date.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission.

8. Fiscal Implications: None on the State Corporation Commission.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.