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HOUSE BILL NO. 466

Offered January 10, 2018

Prefiled January 7, 2018

A BILL to amend the Code of Virginia by adding sections numbered 6.2-1827.1 and 6.2-2225.1, relating to purchases of payday loans and motor vehicle title loans by licensed lenders from federally chartered financial institutions.

Patrons—Carter, Hope, Hurst, Levine, Plum, Tyler and Watts

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding sections numbered 6.2-1827.1 and 6.2-2225.1 as follows:

§ 6.2-1827.1. Licensee prohibited from purchasing certain loans.

A. No licensee shall purchase or otherwise acquire a payday loan from a federally chartered bank or savings institution if:

1. By the terms of the purchase or acquisition the licensee assumes or acquires any of the rights of the federally chartered bank or savings institution as lender with respect to the payday loan, including the right to enforce the terms and provisions of the payday loan against the borrower;

2. The terms and provisions of the payday loan would violate the provisions of this chapter if such a payday loan was made by a licensee; and

3. The borrower under the payday loan is a Virginia resident.

B. Any payday loan purchased or otherwise acquired by a licensee in violation of this section shall be unenforceable against the borrower.

§ 6.2-2225.1. Licensee prohibited from purchasing certain loans.

A. No licensee shall purchase or otherwise acquire a motor vehicle title loan from a federally chartered bank or savings institution if:

1. By the terms of the purchase or acquisition the licensee assumes or acquires any of the rights of the federally chartered bank or savings institution as lender with respect to the motor vehicle title loan, including the right to enforce the terms and provisions of the motor vehicle title loan against the borrower;

2. The terms and provisions of the motor vehicle title loan would violate the provisions of this chapter if such a motor vehicle title loan was made by a licensee; and

3. The borrower under the motor vehicle title loan is a Virginia resident.

B. Any motor vehicle title loan purchased or otherwise acquired by a licensee in violation of this section shall be unenforceable against the borrower.

INTRODUCED

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