

State Corporation Commission 2018 Fiscal Impact Statement

1. Bill Number: HB47

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: Krizek

3. Committee: Commerce and Labor

4. Title: Payday Lending Prohibition Act; penalties.

5. Summary: Prohibits any person from engaging in any business that consists in whole or in part of making, offering, arranging, or acting as an agent in the making of loans on the security of (i) a check or other draft drawn on the account of an individual at a bank, savings institution, or credit union; (ii) any form of assignment of an interest in the account of an individual at a bank, savings institution, or credit union; or (iii) any form of assignment of income payable to an individual, other than loans based on income tax refunds. The prohibition does not apply to certain lenders subject to the general supervision of or subject to examination by the State Corporation Commission or to banks, savings institutions, or credit unions operating under the laws of the United States or any state. A violation is a Class 1 misdemeanor. Violators are also subject to civil penalties, cease and desist orders, and private actions. Violations are a prohibited practice under the Virginia Consumer Protection Act. Existing provisions providing for the licensing and regulation of payday lenders are repealed.

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.