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HOUSE BILL NO. 354

Offered January 8, 2020

Prefiled January 1, 2020

A *BILL to amend the Code of Virginia by adding a section numbered 6.2-436.1, relating to financial institutions; liability when request of an individual's attorney-in-fact disregarded.*

Patron—Davis

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:**1. That the Code of Virginia is amended by adding a section numbered 6.2-436.1 as follows:****§ 6.2-436.1. Limitation on borrower's liability when directive of borrower's attorney in fact disregarded.**

If (i) an attorney-in-fact for an individual has been granted general authority with respect to banks and other financial institutions as provided in § 64.2-1629; (ii) the attorney notifies a financial institution in writing that he is the attorney-in-fact for the individual and has provided a copy of the power of attorney and a certification pursuant to § 64.2-1639 to affirm that his power has not been revoked; (iii) the attorney gives the financial institution a written request or instruction that the financial institution not accept an application submitted by the individual for a loan or extension of credit from the financial institution or, if the individual has established a revolving loan or a line of credit with the financial institution, that the financial institution not extend further credit or loan any additional amounts to the individual; (iv) the individual applies for any type of loan or extension of credit from the financial institution; and (v) the financial institution, in disregard of a request or instruction given in accordance with clause (iii), accepts an application submitted by the individual for a loan or extension of credit from the financial institution and lends money to the individual or, if the individual has established a revolving loan or a line of credit with the financial institution, that the financial institution extends further credit or loans any additional amounts to the individual, then:

1. Neither the individual nor his attorney-in-fact shall be liable for repayment of any such loan, extension of credit, or other financial obligation made by the financial institution after the time the request or instruction described in accordance with clause (iii) was given to the financial institution; and

2. The financial institution shall not advise any credit reporting agency of any information regarding any such loan, extension of credit, or other financial obligation of the individual or his attorney-in-fact for which the individual or his attorney-in-fact is not liable as provided in subdivision 1, including any information regarding any balance outstanding under such loan, extension of credit, or other financial obligation or any write-off that may occur in relation thereto.

INTRODUCED

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