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SENATE BILL NO. 313

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Commerce and Labor
on January 26, 1998)

(Patron Prior to Substitute—Senator Holland)

A *BILL to amend and reenact §§ 6.1-298 and 6.1-300 of the Code of Virginia, relating to the examination of and the books, accounts and records of consumer finance companies.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 6.1-298 and 6.1-300 of the Code of Virginia are amended and reenacted as follows:

§ 6.1-298. Examination.

The Commission shall, as often as it may deem it to be in the public interest, make an examination of the affairs, business, office and records of each licensee insofar as they pertain to any business licensed under this chapter. Such examination shall be conducted at least ~~twice~~ *once* in every three-year period. It shall be the duty of the licensee to furnish promptly by mail or otherwise such facts and statements in connection with his business transacted in Virginia as the Commission deems proper to require at any time.

§ 6.1-300. Books, accounts and records; hypothecation or deposit of notes and securities.

A.1. The licensee shall keep and use in his licensed place of business, *or at such other place within or outside the Commonwealth as the Commission may approve*, such books, accounts and records as in the opinion of the Commission will enable it to determine whether the licensee is complying with the provisions of this chapter and with rules and regulations lawfully made under the provisions of this chapter.

2. *Such books, accounts and records may be maintained in paper form or, with the Commission's approval, in the form of magnetic tape, magnetic disk, optical disk imaging, or other form of computer, electronic or microfilm media available for examination on the basis of computer printed reproduction, video display or other medium; provided, that such books, accounts and records not maintained in paper form shall be convertible into clearly legible paper documents within a reasonable time.*

3. Every licensee shall preserve the books, accounts, and records, including cards used in the card system, if any, for at least ~~two~~ *three* years after making the final entry on any loan recorded therein. ~~No note or security taken under this chapter shall be hypothecated or deposited outside this Commonwealth, nor within the Commonwealth except under an agreement permitting the Commission or its duly authorized representatives to examine the papers so hypothecated or deposited.~~

B. *In the event that any note or security taken under this chapter shall be hypothecated or deposited within or outside this Commonwealth, the licensee shall give prompt written notification to the Commission of the identity and location of the person holding such paper. Prior approval of the Commission shall not be required. Such paper so hypothecated or deposited shall be subject to examination by duly authorized representatives of the Commission in accordance with subsection C as fully as if kept in an approved location.*

C. *All books, accounts and records shall be subject to examination by the duly authorized representatives of the Commission. If such books, accounts, and records are examined outside the Commonwealth, all reasonable costs associated with such examination shall be paid by the licensee.*