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HOUSE BILL NO. 2467

Offered January 21, 1999

A BILL to amend and reenact § 6.1-432 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 17 of Title 6.1 a section numbered 6.1-444, relating to banking and finance; check cashers.

Patrons—Keating, Bennett, Callahan, Cantor, Kilgore, Morgan and Woodrum

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-432 of the Code of Virginia is amended and reenacted, and that the Code of Virginia is amended by adding in Chapter 17 of Title 6.1 a section numbered 6.1-444 as follows:

§ 6.1-432. Definitions.

As used in this chapter, the following words and terms shall have the following meanings unless the context clearly requires a different meaning:

"Check casher" means a person engaged in the business of cashing checks, drafts, or money orders for compensation.

"Commission" means the State Corporation Commission.

"Commissioner" means the Commissioner of the Bureau of Financial Institutions.

"Deferred deposit" means a transaction whereby the check allows the maker to write a personal check and receive payment immediately upon presentment and qualification, while delaying the deposit of the check pursuant to a written agreement with the check casher, for a mutually agreed number of days following the issue date of the check.

"Issue date" means, on a check held for deferred deposit, the date the check is cashed and the deferred deposit agreement is originated.

"Item" means a check, draft, or money order.

"Person" means any individual, firm, corporation, partnership, association, trust, or legal or commercial entity or group of individuals, however organized.

"Registrant" means a person registered under this chapter.

"Registration" means a registration filed under this chapter.

§ 6.1-444. *Deferred deposit agreements.*

A. A check casher may defer the deposit of a personal check written by a customer, pursuant to the provisions of this section. Each deferred deposit transaction shall be documented by a written agreement that has been signed by the customer and by the check casher or an authorized representative of the check casher. The written agreement shall contain a statement of the total amount of any fees charged for the deferred deposit. The written agreement shall authorize the check casher to defer deposit of the personal check until a specific date.

B. A customer who enters into a deferred deposit agreement and offers a personal check to a check casher pursuant to that agreement shall not be subject to any criminal penalty for the failure to comply with the terms of that agreement.

C. A check casher may charge a fee for a deferred deposit transaction in an amount not to exceed fifteen percent of the face value of the check. No amount in excess of the amounts authorized by this section for a deferred deposit transaction shall be directly or indirectly charged by a check casher.

D. A check casher who enters into a deferred deposit agreement and accepts a check passed on insufficient funds, or any assignee of that check casher, shall be entitled to recover any civil damages allowed by law for bad checks or by contract between the check casher or assignee of the check casher and the customer.

INTRODUCED

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