

## State Corporation Commission 2009 Fiscal Impact Statement

**1. Bill Number:** SB1490

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                  In Committee              Substitute                  Enrolled

**2. Patron:**        Herring

**3. Committee:** Commerce and Labor

**4. Title:**        **Open-end credit plans; loans secured by motor vehicle title.**

**5. Summary:** Open-end credit plans; loans secured by motor vehicle title. Limits the existing provision that currently allows any seller or lender to extend credit under an open-end or similar plan. The measure allows only sellers of personal, family, or household goods making open-end extensions of credit to purchasers when financing the price of such goods to charge interest and fees at any rate to which the seller and borrower agree, provided they give a 25-day interest-free grace period. The measure also provides that any loan to an individual for personal, family, or household purposes that is secured by a nonpurchase-money security interest in a motor vehicle shall be subject to the provisions of the Consumer Finance Act. Licensees under the Consumer Finance Act are prohibited from charging interest of more than 36 percent annually on such loan balances and are required to provide a 25-day interest-free grace period.

**6. Fiscal Impact Estimates:** No Fiscal Impact on State Corporation Commission

**7. Budget Amendment Necessary:** No

**8. Fiscal Implications:** None on the State Corporation Commission

**9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

Date: 2/4/09 E.J. Face, Jr.

Cc:    Secretary of Commerce and Trade