

State Corporation Commission 2016 Fiscal Impact Statement

1. Bill Number: HB250

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: Minchew

3. Committee: Commerce and Labor

4. Title: Consumer loans; interest rate limits and lending practices.

5. Summary: Consumer loans; interest rate limits and lending practices. Caps the rate of interest that may be charged on motor vehicle title loans, consumer finance company loans, payday loans, and open-end credit plans at 36 percent per year. The measure prohibits a lender from charging a membership fee, participation fee, or transaction fee in connection with any such extension of credit. The measure also prohibits a person making such a loan from (i) conditioning the making of the loan on the consumer's use of preauthorized transfers; (ii) making such a loan pursuant to an agreement under which the consumer permits the lender to access the consumer's account through preauthorized transfers; (iii) using an electronic check conversion transaction as a method of receiving a payment or collecting any amount due in connection with a loan; (iv) making such a loan with terms and conditions that, if the consumer was a covered member of the armed forces or a dependent of such a member, would violate the Military Lending Act; or (v) restricting the authority of the consumer to disclose to any person the provisions of any loan agreement.

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.