

State Corporation Commission 2016 Fiscal Impact Statement

1. **Bill Number:** HB974

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

2. **Patron:** Yancey

3. **Committee:** Commerce and Labor

4. **Title:** Open-end credit agreements.

5. **Summary:** Open-end credit agreements. Allows only a seller of goods to extend credit under an open-end credit agreement at such interest rates as the seller and borrower agree, provided that a finance charge is not imposed if payment in full of the unpaid balance is received prior to the next billing date that follows a 25-day grace period. To extend credit under such an agreement, the loan must be for the sole purpose of financing the bona fide purchase price of goods used for personal, family, or household purposes. Currently, any lender may make such loans under an open-end credit plan. The measure prohibits sellers of such goods under an open-end credit agreement from engaging in the extension of credit under any other chapter of Title 6.2. The measure provides that licensed consumer finance companies may not make loans under such open-end credit agreements. The measure does not prohibit the collection of an outstanding loan made prior to the measure's effective date.

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.