State Corporation Commission
2018 Fiscal Impact Statement

1. **Bill Number:** HB1248

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

2. **Patron:** Kilgore

3. **Committee:** Commerce and Labor

4. **Title:** Consumer finance companies.

5. **Summary:** Updates several administrative provisions regarding the regulation of consumer finance companies by the State Corporation Commission's Bureau of Financial Institutions (Bureau). These provisions include matters relating to the licensing process, license suspension and revocation, conducting other types of business, investigations, examinations, fees, recordkeeping, civil penalties, reporting, and enforcement, including the issuance by the Attorney General of civil investigative demands. The measure adds a bonding requirement and authorization to issue cease and desist orders. The measure replaces the existing system under which a separate license is issued by the Bureau for each office in the Commonwealth where a person makes consumer finance loans to one that provides for the issuance of a single license to a consumer finance company, which may allow it to make loans at multiple locations. The measure also authorizes the Bureau to license out-of-state consumer finance companies, including lenders that operate via the Internet. The measure has a delayed effective date of January 1, 2019, and requires the Bureau to establish a procedure that allows applicants to apply for licensure prior to that date. An enactment clause authorizes the Bureau to issue a new license to currently licensed consumer finance companies in good standing upon compliance with the new bonding requirements.

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:** Bureau of Financial Institutions/State Corporation Commission

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** None.

1/26/18 EJF