

## State Corporation Commission 2018 Fiscal Impact Statement

**1. Bill Number:** SB624

|                        |  |                                     |                                    |
|------------------------|--|-------------------------------------|------------------------------------|
| <b>House of Origin</b> | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| <b>Second House</b>    | <input type="checkbox"/> In Committee          | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled  |

**2. Patron:** Surovell

**3. Committee:** General Laws and Technology

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

**5. Summary:** Prohibits a person licensed as a motor vehicle title lender from extending credit under an open-end credit plan. The measure prohibits a person that extends credit under an open-end credit plan from (i) obtaining or accepting from a borrower an authorization to electronically debit the borrower's deposit account; (ii) failing to comply with certain restrictions and prohibitions applicable to debt collectors contained in the federal Fair Debt Collection Practices Act; (iii) making a loan to a borrower if the loan or extension would cause the borrower to have more than one loan under an open-end credit plan outstanding at the same time; and (iv) filing a legal proceeding against a borrower until 60 days after the date of default on an open-end credit plan, during which period the person and the borrower may voluntarily enter into a repayment arrangement. The measure makes these requirements applicable to any person that makes such an extension of credit over the Internet to Virginia residents or any individuals in Virginia. The measure also makes it a prohibited practice under the Virginia Consumer Protection Act to violate the requirements applicable to extending credit under an open-end credit plan.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** None 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