WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1987

ENROLLED
SENATE BILL NO. 40

(Passed February 6, 1987)

In Effect ninety days from passage
AN ACT to amend and reenact section one hundred sixteen, article three, chapter forty-six-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to change in terms of revolving charge accounts or revolving loan accounts; and when higher charges are permitted.

Be it enacted by the Legislature of West Virginia:

That section one hundred sixteen, article three, chapter forty-six-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 3. FINANCE CHARGES AND RELATED PROVISIONS.

§46A-3-116. Change in terms of revolving charge accounts or revolving loan accounts.

1 (1) If a creditor makes a change in the terms of a revolving charge account or revolving loan account without complying with this section, any additional cost or charge to the consumer resulting from the change is an excess charge and subject to the remedies provided in this chapter.

2 (2) A creditor may change the terms of a revolving charge account or revolving loan account whether or not the
change is authorized by prior agreement. Except as provided in subsection (3), the creditor shall give to the consumer written notice of such change not less than fifteen days prior to the effective date of such change.

(3) The notice specified in subsection (2) is not required if:

(a) The consumer after otherwise receiving notice of the change agrees in writing to the change;

(b) The consumer elects to pay an amount designated on a billing statement as including a new charge for a benefit offered to the debtor when the benefit and charge constitute the change in terms and when the billing statement also states the amount payable if the new charge is excluded;

(c) The change involves no significant cost to the consumer;

(d) The consumer has previously consented in writing to the kind of change made and notice of the change is given to the consumer in two billing cycles prior to the effective date of the change; or

(e) The change applies only to purchases made or obligations incurred after a date specified in a notice of the change given in two billing cycles prior to the effective date of the change.

(4) The notice provided for in this section is given to the debtor when mailed to him at the address used by the creditor for mailing periodic billing statements.

(5) Under no circumstances may a change under the provisions of this section be made so as to increase a sales finance charge or loan finance charge above that permitted by the appropriate provisions on sales finance charges or loan finance charges: Provided, That a creditor may apply a higher permitted sales finance charge or loan finance charge to the account balance or debt balance unpaid as of the date the change becomes effective.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within ......................... this the 16th day of ......................... 1987.

Governor