

HB 2358

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# WEST VIRGINIA LEGISLATURE

FIRST REGULAR SESSION, 1999



# ENROLLED

## House Bill No. 2358

(By Delegate Thompson)



Passed February 16, 1999

In Effect Ninety Days from Passage.

**ENROLLED**  
**H. B. 2358**

(BY DELEGATE THOMPSON)

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[Passed February 16, 1999; in effect ninety days from passage.]

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AN ACT to amend and reenact section one hundred ten-a, article four, chapter forty-six-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to prohibited conduct of regulated consumer lenders.

*Be it enacted by the Legislature of West Virginia:*

That section one hundred ten-a, article four, 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 4. REGULATED CONSUMER LENDERS.**

**§46A-4-110a. Prohibited conduct.**

- 1       (1) A regulated consumer lender shall not:
  - 2           (a) Accept or receive deposits or sell or offer for sale its
  - 3           secured or unsecured evidences or certificates of indebtedness;
  - 4           (b) Pay any fees, bonuses, commissions, rewards or other
  - 5           consideration to any person, firm or corporation for the privi-
  - 6           lege of using any plan of operation, scheme or device for the
  - 7           organization or carrying on of business under this article, or the
  - 8           use of any name, trademark or copyright to be so used: *Pro-*
  - 9           *vided*, That nothing herein prevents a regulated consumer

10 lender from agreeing in connection with a loan to pay a broker  
11 fee, finders fee or dealer participation fee, or to split the  
12 origination fee or points paid: *Provided, however,* That the fee  
13 or fee split is disclosed to the borrower and where proper is  
14 included in the finance charge; or

15 (c) Fail to disclose the amount of a payoff of an existing  
16 loan within three business days of receiving a request for such  
17 information from either the borrower or an agent acting on  
18 behalf of the borrower.

19 (2) Unless preempted by federal law, no consumer loan by  
20 a regulated consumer lender may contain any scheduled balloon  
21 payment as set forth in this chapter. Nor may any regulated  
22 consumer lender loan contain terms of repayment which result  
23 in negative amortization: *Provided,* That nothing herein  
24 prevents unequal payment schedules resulting from a variable  
25 rate loan or a revolving line of credit.

26 (3) A regulated consumer lender may not make revolving  
27 loans for the retail purchase of consumer goods and services by  
28 use of a lender credit card.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Ray Hoover*  
Chairman Senate Committee

*Jan F. Smith*  
Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

*Carroll Holmes*  
Clerk of the Senate

*Bryony W. Day*  
Clerk of the House of Delegates

*Earl Ray Tomblin*  
President of the Senate

*Robert L. Taylor*  
Speaker of the House of Delegates

The within approved this the 10th  
day of March, 1999.

*J. D. Anderson*  
Governor

PRESENTED TO THE  
GOVERNOR

Date 3/4/99

Time 9:56am