

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 1 - 0
Yeas:	Bonamici, Galizio, Gilliam, Nelson, Riley, Holvey
Nays:	Smith P.
Exc.:	0
Prepared By:	Steve Dixon, Administrator
Meeting Dates:	1/19, 1/31

WHAT THE MEASURE DOES: Requires person in business of making consumer finance loans to obtain license. Defines consumer finance loan. Declares an emergency.

ISSUES DISCUSSED:

- Effects of proposed measure on short term and other lenders.
- Effects on consumers.
- Current and proposed licensing requirements.
- Senate Bill 1105 (special session, 2006) and its effects on payday lenders.
- Rulemaking authority granted to the Department of Consumer and Business Services (DCBS) under this measure.

EFFECT OF COMMITTEE AMENDMENT: Adopted amendment defines business of making consumer finance loan and related activities. Additionally, amendments address open ended loans, loan underwriting and the use of a consumer's check or debit authorization for future payment by directing DCBS to adopt standards via rulemaking.

BACKGROUND: House Bill 2205-A codifies provisions of administrative rules that were adopted by DCBS in December 2006 regarding consumer finance licenses. Specifies that consumer finance loans that are unsecured or secured by personal or real property, require periodic payments, made for terms longer than six months, include loan underwriting evaluations and are fully amortized and repaid in substantially equal payments. Contains an emergency clause, effective July 1, 2007.