





**DIVISION OF BANKING**

Building #3, Room 311 • State Capitol Complex • 1900 Kanawha Blvd., East • Charleston, WV 25305-0240 • FAX: (304) 558-0442

**CONSENT TO FILE RULE**

June 19, 1995

TO WHOM IT MAY CONCERN:

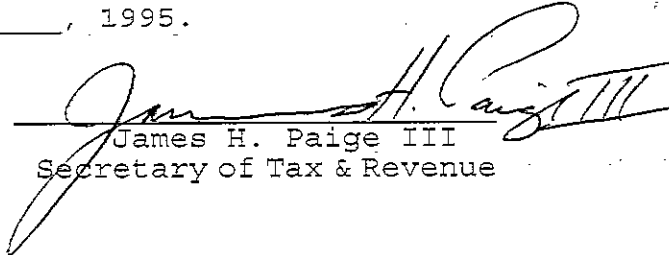
Title of Rule: Regulations Pertaining to the WV Industrial Loan  
Company Act

Title Number: 106

Series Number: 57

Pursuant to West Virginia Code §§ 5F-2-2(a) and 64-7-4(c), the undersigned hereby consents to the filing of the foregoing rule.

Signed this 21<sup>st</sup> day of June, 1995.

  
James H. Paige III  
Secretary of Tax & Revenue



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COMMISSIONER OF BANKING  
REGULATIONS PERTAINING TO THE WEST VIRGINIA  
INDUSTRIAL LOAN COMPANY ACT  
106 CSR 5

### Statement of Circumstances

The proposed amendments to this legislative rule are required by amendments to the West Virginia Code which have altered the loan limit for industrial lenders and deleted the authority to create Industrial Banks. These changes need to be reflected in the rule to make it consistent with the statutory changes.

**APPENDIX B**

**FISCAL NOTE FOR PROPOSED RULES**

**Rule Title:** Regulations Pertaining to the WV Industrial Loan Company Act

**Type of Rule:**  X  Legislative      Interpretive      Procedural

**Agency** WV Division of Banking

**Address** State Capitol Complex  
Bldg. 3, Rm. 311  
Charleston, WV 25305

**1. Effect of Proposed Rule**

	ANNUAL FISCAL YEAR				
	INCREASE	DECREASE	CURRENT	NEXT	HEREAFTER
<u>ESTIMATED TOTAL COST</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PERSONAL SERVICES	-	-	-	-	-
CURRENT EXPENSE	-	-	-	-	-
REPAIRS & ALTERNATIONS	-	-	-	-	-
EQUIPMENT	-	-	-	-	-
OTHER	-	-	-	-	-

**2. Explanation of above estimates:**

The rule merely deletes reference to obsolete code provisions and makes reference to a more pertinent new code section.

**3. Objectives of these rules:**

To better conform the rule to the current statutes and avoid confusion by deleting obsolete code language.

**Rule Title:** Regulations Pertaining to the WV Industrial Loan Company Act  
106 CSR 5

**4. Explanation of Overall Economic Impact of Proposed Rule.**

**A. Economic Impact on State Government.**

None

**B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of Citizens.**

None

**C. Economic Impact on Citizens/Public at Large.**

None

**Date:** June 19, 1995

**Signature of Agency Head or Authorized Representative**

Sharon S. Bledsoe



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### Summary of Proposed Rule Amendments

The proposed amendments to this legislative rule are required in part by amendments to the West Virginia Code which have altered the rate of finance charges that an industrial lender may impose; and make clear reference to the proper code cite for substantiating the alternative rate allowed to industrial lenders by the WV Credit and Lending Rate Board [See W. Va. Code §31-7-11, as amended, deleted this obsolete provision of 21% on the first \$5000; see also 47A-1-1 et seq.].

The rule also needs to reflect that the Code no longer provides for the establishment of Industrial Banks, and no such banks now exist. Thus reference to them is only confusing and should be deleted. [See W. Va. Code §§31-7-2 note].

FILED

TITLE 106  
LEGISLATIVE RULE  
WEST VIRGINIA DIVISION OF BANKING

JUN 22 9 02 AM '95

SERIES 5  
REGULATIONS PERTAINING TO THE WEST VIRGINIA ~~INDUSTRIAL BANK AND INDUSTRIAL LOAN COMPANY ACT~~ OF WEST VIRGINIA  
SECRETARY OF STATE

§106-5-1. General.

1.1. Scope. -- These regulations establish general rules implementing and supplementing the West Virginia ~~Industrial Bank and Industrial Loan Company Act~~.

1.2. Authority. -- W. Va. Code §31A-2-4(c)(11)

1.3. Filing Date. -- ~~April 22, 1992~~

1.4. Effective Date. -- ~~April 24, 1992~~

§106-5-2. Regulations of Industrial Loan Companies and ~~Industrial Banks~~.

2.1. Loan finance charges.

With respect to a consumer loan, other than a consumer loan made pursuant to a revolving loan account, an industrial loan company ~~or an industrial bank~~ may contract for and receive a loan finance charge ~~not exceeding the aggregate of twenty one percent (21%) of the first five thousand dollars (\$5,000) as permitted in W. Va. Code §31-7-11(a)(5), plus the interest and charges permitted by W. Va. Code §31A-4-30a, or W. Va. Code §47-6-5(a) and (b), or by W. Va. Code §46A-3-104, on those amount exceeding five thousand dollars (\$5,000), or as otherwise provided by order of the West Virginia Lending and Credit Rate Board pursuant to W. Va. Code § 47A-1-1 et seq. plus the ,which charge may include the loan investigation fee permitted in W. Va. Code §31-7-11(a)(6)(3).~~

2.2. Advertising.

(a) No industrial loan company ~~or industrial bank~~ shall advertise, in any manner, that a loan of a prospective borrower with another lender will be paid or increased if the loan is transferred to the advertising institution.

(b) No industrial loan company ~~or industrial bank~~ shall make reference to supervision or control by the state, the Attorney General, the Commissioner of Banking, the Division of Banking, or any other state agency, in any advertising.

(c) No industrial loan company ~~or industrial bank~~ shall advertise in any manner that may tend to confuse the identity of

the advertising institution with any other unrelated financial organization or loan company.

(d) Each industrial loan company and ~~industrial bank~~ shall retain a copy of all advertising for a period of two (2) years from the date of its use.