

WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION

Form #3

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE
AND
FILING WITH THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE**

AGENCY: WV Division of Banking TITLE NUMBER: 106

CITE AUTHORITY WV Code 31A-2-4(c)(11)

AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 5

TITLE OF RULE BEING AMENDED: Regulations Pertaining to the West Virginia
Industrial Bank and Industrial Loan Company Act

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: _____

TITLE OF RULE BEING PROPOSED: _____

THE ABOVE PROPOSED LEGISLATIVE RULE HAVING GONE TO A PUBLIC HEARING OR A PUBLIC COMMENT PERIOD IS HEREBY APPROVED BY THE PROMULGATING AGENCY FOR FILING WITH THE SECRETARY OF STATE AND THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE FOR THEIR REVIEW.

Sharon S. [Signature]

4.20



DIVISION OF BANKING

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

(304) 558-2294

CONSENT TO FILE RULE

July 25, 1995

TO WHOM IT MAY CONCERN:

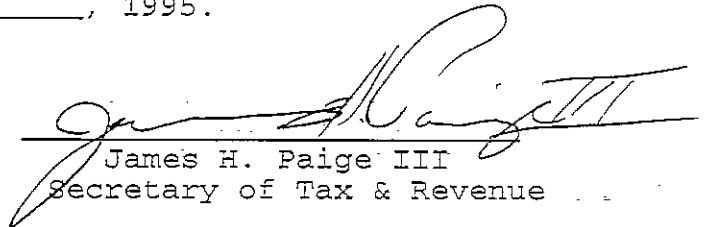
Title of Rule: Regulations Pertaining to the WV Industrial Loan
Company Act

Title Number: 106

Series Number: 5

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 26th day of July, 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	NEW	DELETED
<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. Bell

DATE: July 28, 1995

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: Timothy Winslow
General Counsel
WV Division of Banking

LEGISLATIVE RULE TITLE: Regulations Pertaining to the West Virginia Industrial Bank and Industrial Loan Company Act

1. Authorizing statute(s) citation WV Code 31A-2-4(c)(11)

2. a. Date filed in State Register with Notice of ~~Hearing~~ Comment Period June 22, 1995

b. What other notice, including advertising, did you give of the hearing?

Sent to each person/business on the WV Division of Banking's "Official Notification" list.

c. Date of ~~Hearing~~ ~~(X)~~ Comment Period June 22, 1995 to July 24, 1995

d. Attach list of persons who appeared at hearing, comments received, amendments, reasons for amendments.

Attached _____ No comments received X

e. Date you filed in State Register the agency approved proposed Legislative Rule following public hearing: (be exact)

July 28, 1995

f. Name and phone number(s) of agency person(s) to contact for additional information:

Timothy Winslow 558-2294

3. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:

a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

N/A

b. Date of hearing: N/A

c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

N/A

d. Attach findings and determinations and reasons:

Attached N/A



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

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].

TITLE 106
LEGISLATIVE RULE
WEST VIRGINIA DIVISION OF BANKING

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SERIES 5
REGULATIONS PERTAINING TO THE WEST VIRGINIA
~~INDUSTRIAL BANK AND INDUSTRIAL LOAN COMPANY ACT~~ OFFICE 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.



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INDUSTRIAL LOAN COMPANY ACT
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Comments Reveived

No comments were received on this proposed amended rule.

Amendments Made to Proposed Rule

No amendments were made to the proposed rule as initially presented for comment.