

WEST VIRGINIA  
SECRETARY OF STATE  
KEN HECHLER  
ADMINISTRATIVE LAW DIVISION

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) AUG 28 4 32 PM '96  
) OFFICE OF WEST VIRGINIA  
) SECRETARY OF STATE

Form #3

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

AGENCY: West Virginia Division of Banking TITLE NUMBER: 106

CITE AUTHORITY W. Va. Code §§ 31A-2-4(c)(11) and (12)

AMENDMENT TO AN EXISTING RULE: YES  NO

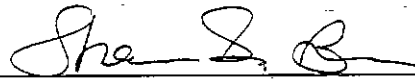
IF YES, SERIES NUMBER OF RULE BEING AMENDED: 5

TITLE OF RULE BEING AMENDED: Rules Pertaining to the West Virginia  
Industrial Loan Company Act

IF NO, SERIES 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.



Authorized Signature



**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**

August 28, 1996

TO WHOM IT MAY CONCERN:

Title of Rule: Rules Pertaining to the West Virginia 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 so as to entirely delete and repeal the present rule.

Signed this 28<sup>th</sup> day of August, 1996.

*James H. Paige III*  
James H. Paige III  
Secretary of Tax & Revenue

DATE: August 28, 1996

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: WV Division of Banking

LEGISLATIVE RULE TITLE: Rules Pertaining to the West Virginia Industrial Loan Company Act [106 CSR 5]

1. Authorizing statute(s) citation W. Va. Code §§ 31A-2-4(c)(11) and (12)

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2. a. Date filed in the State Register with Notice of ~~Hearing~~/ Comment Period.

July 19, 1996

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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.

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c. Date of ~~Hearing(s)~~/ Comment Period July 22, 1996 to Aug. 19, 1996.

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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)

August 28, 1996

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

Timothy Winslow 558-2294

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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 \_\_\_\_\_

\_\_\_\_\_ 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 therefore?

\_\_\_\_\_ N/A \_\_\_\_\_

d. Attach findings and determinations and reasons:

Attached \_\_\_\_\_ N/A \_\_\_\_\_



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

#### Summary of Proposed Rule Amendments

The proposed amendments to repeal this legislative rule are offered due to amendments to the West Virginia Code which eliminate separate licensing requirements for supervised and industrial loan companies by combining them into one new Regulated Consumer Lender (RCL) license. The act repealed Chapter 31, Article 7 of the West Virginia Code relating to Industrial Loan Companies. [See W. Va. § 46A-4-101 et seq.]

This rule dealt with loan finance charges and advertising by industrial loan company licensees. These entities are now licensed as regulated consumer lenders, and the loan finance charges are now set forth in article four of the West Virginia Code. The advertising restrictions will be covered in amendments to 106 CSR §4. Thus the need for the rule is obviated and it is being wholly deleted.



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

#### Statement of Circumstances

The proposed amendments to repeal this legislative rule are in response to amendments to the West Virginia Code which eliminate separate licensing requirements for supervised and industrial loan companies by combining them into one new Regulated Consumer Lender (RCL) license. The act repealed Chapter 31, Article 7 of the West Virginia Code relating to Industrial Loan Companies. [See W. Va. § 46A-4-101 *et seq.*]. The matters dealt with in the rule are covered under the new statutory provisions and by amendments to rule series four, CSR, title 106.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Rules Pertaining to the West Virginia Industrial Loan Company Act  
[106 CSR 5]

Type of Rule:  Legislative  Interpretive  Procedural

Agency: West Virginia Division of Banking

Address: State Capitol Complex

Building 3, Room 311

Charleston, West Virginia 25305-0240

1. Effect of Proposed Rule:

	ANNUAL		FISCAL YEAR		
	INCREASE	DECREASE			
ESTIMATED TOTAL COST	\$ 0	\$ 0	CURRENT \$ 0	NEXT \$ 0	THEREAFTER \$ 0
PERSONAL SERVICES	0	0	0	0	0
CURRENT EXPENSES	0	0	0	0	0
REPAIRS & ALTERATIONS	0	0	0	0	0
EQUIPMENT	0	0	0	0	0
OTHER	0	0	0	0	0

2. Explanation of above estimates:

The deletion of the rule merely conforms it to the statute as amended.

3. Objectives of these rules:

To delete the rule as its need is obviated by statutory amendments.

Rule Title: Rules Pertaining to the West Virginia Industrial Loan Company Act

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: 8/28/96

Signature of Agency Head or Authorized Representative:

Shan Z. Ben

~~TITLE 106  
LEGISLATIVE RULE  
WEST VIRGINIA DIVISION OF BANKING~~

~~SERIES 5  
RULES PERTAINING TO THE WEST VIRGINIA  
INDUSTRIAL LOAN COMPANY ACT~~

~~§106-5-1. General.~~

~~1.1. Scope. This rule establishes general provisions implementing and supplementing the West Virginia Industrial Loan Company Act.~~

~~1.2. Authority. W. Va. Code §§31A-2-4(c)(11) and 31-7-26.~~

~~1.3. Filing Date. April 4, 1996~~

~~1.4. Effective Date. May 1, 1996~~

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

~~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 may contract for and receive a loan finance charge 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, 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. The finance charge may include the loan investigation fee permitted in W. Va. Code §31-7-11(a)(3).~~

~~2.2. Advertising.~~

~~(a) No industrial loan company 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 industrial loan company.~~

~~(b) No industrial loan company 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 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 shall retain a copy of all advertising for a period of two (2) years from the date of its use.~~