May 25, 2006

**S 2030. INCREASE CONSUMER FINANCE FEES.** Filed 5/25/06. *TO UPDATE THE CONSUMER FINANCE ACT BY INCREASING FEES PAID BY CONSUMER FINANCE LICENSEES AND TO CLARIFY THE PROHIBITION AGAINST EVASIONS OF THE CONSUMER FINANCE ACT*. Amends GS 53-122 to increase the annual assessment that a consumer finance licensee is required to pay to the office of the Commissioner of Banks to $48 per $100,000 of average total loan receivables for the preceding year (was, $18 per $100,000 of assets) plus a fee of $500 (was, $300 per office) and to delete the minimum annual assessment of $500. Increases initial licensing fee for lenders under the Consumer Finance Act (usually finance companies) from $250 to $1000; increases the application fee for check-cashing businesses from $250 to $500 plus $100 for each anticipated location; and the license renewal fee of $500 plus $100 for each location (was, $250 plus $50 per location). Increases the fee for registration as a facilitator under the Refund Anticipation Loan Act from $250 to $500. GS 53-166 requires optional rate lenders under the Consumer Finance Act to be licensed and specifies that they cannot avoid licensing by subterfuge. This bill defines subterfuge to include transactions in which a cash rebate or other advance of funds is offered; the cash advance is made contemporaneously with the transaction; the amount of the cash advance is required to be paid at a later date; the selling of any item or service with the transaction is incidental to, or a pretext for, the advance of funds; and the transaction requires the consumer to present a check or electronic debit authorization for the purpose of making future repayment. Effective October 1, 2006.

**Intro. by Rand.** GS 53