

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 256

BY SENATOR TRUMP

[Introduced January 13, 2016;

Referred to the Committee on Banking and Insurance;

and then to the Committee on the Judiciary.]

1 A BILL to amend and reenact §46A-3-113 of the Code of West Virginia, 1931, as amended,
 2 relating to allowing delinquency charge be collected on an installment which is paid in full
 3 in a timely manner if an earlier installment or delinquency has not been paid in full; and
 4 applying payments to the oldest unpaid installment first.

Be it enacted by the Legislature of West Virginia:

1 That §46A-3-113 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

ARTICLE 3. FINANCE CHARGES AND RELATED PROVISIONS.

§46A-3-113. Delinquency charges on nonprecomputed consumer credit sales or consumer loans repayable in installments.

1 (1) In addition to the continuation of the sales finance charge or loan finance charge on a
 2 delinquent installment with respect to a nonprecomputed consumer credit sale or consumer loan,
 3 refinancing or consolidation, repayable in installments, the parties may contract for a delinquency
 4 charge on any installment not paid in full within ten days after its scheduled due date of five
 5 percent of the unpaid amount of the installment, not to exceed \$30.

6 (2) A delinquency charge under subsection (1) of this section may be collected only once
 7 on an installment however long it remains in default. A delinquency charge may be collected at
 8 the time it accrues or at any time thereafter.

9 (3) ~~No~~ A delinquency charge may be collected on an installment which is paid in full within
 10 ten days after its scheduled or deferred installment due date, ~~even though~~ if it is applied to an
 11 earlier maturing installment or a delinquency or deferral charge on an earlier installment may not
 12 have that has not been paid in full. For purposes of this subsection, payments shall be applied
 13 first to ~~current installments, then to delinquent installments,~~ in order and starting with the
 14 installment which has been delinquent the longest, then to current installments, and then to
 15 delinquency and other charges.

NOTE: The purpose of this bill is to .allow a delinquency charge to be collected on an installment which is paid in full in a timely manner if an earlier installment or delinquency has not been paid in full; and to apply payments to the oldest unpaid installment first.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.