

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 468

BY SENATORS GAUNCH AND ASHLEY

[Introduced February 2, 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-6K-3 of the Code of West Virginia, 1931, as amended, relating
 2 to accrual of interest during the rescission period, on a loan where a right of rescission
 3 applies.

Be it enacted by the Legislature of West Virginia:

1 That §46A-6K-3 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

ARTICLE 6K. GOOD FUNDS SETTLEMENT ACT.

§46A-6K-3. Duty of lender; accrual of interest.

1 The lender shall, at or before loan closing, cause disbursement of loan funds to the
 2 settlement agent; however, in the case of a refinancing, or any other loan where a right of
 3 rescission applies, the lender shall, within one business day after the expiration of the rescission
 4 period required under the federal Truth-in-Lending Act (15 U.S.C. §1601 et seq.), cause
 5 disbursement of loan funds to the settlement agent, unless the loan is rescinded by the customer.
 6 All funds disbursed by the lender to the settlement agent must be collected funds. ~~The lender is~~
 7 ~~not entitled to receive or charge any interest on the loan until disbursement of loan funds and loan~~
 8 ~~closing has occurred~~ The lender is entitled to charge and receive interest on the loan during the
 9 rescission period required under the federal Truth-in-Lending Act (15 U.S.C. §1601 et seq.).

NOTE: The purpose of this bill is to allow a lender to charge and receive interest on a loan that is rescindable by the borrower, during the rescission period allowed by the federal Truth in Lending Act.

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