

# **WEST VIRGINIA LEGISLATURE**

**2016 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 468**

BY SENATORS GAUNCH AND ASHLEY

[Originating in the Committee on the Judiciary;

reported on February 24, 2016.]



1 A BILL to amend and reenact §46A-6K-3 of the Code of West Virginia, 1931, as amended, relating  
2 to allowing accrual of interest during rescission period on a loan where right of rescission  
3 applies, if the loan is not rescinded; and providing exclusion to the charging and payment  
4 of interest.

*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5 disbursement of loan funds to the settlement agent, unless the loan is rescinded by the customer.  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 may 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.*):  
10 Provided, That the lender may not receive any interest if the loan is rescinded by the customer:  
11 Provided, however, That the lender may not charge or receive interest on the loan during the  
12 rescission period, if the loan is for the purpose of paying a prior loan made by the same lender in  
13 full.