



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
**(803)734-3780 • RFA.SC.GOV/IMPACTS**

*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

---

<b>Bill Number:</b>	S. 0910	Introduced on January 9, 2024
<b>Author:</b>	Davis	
<b>Subject:</b>	Predatory Trade Practices Act	
<b>Requestor:</b>	Senate Labor, Commerce, and Industry	
<b>RFA Analyst(s):</b>	Gardner and Vesely	
<b>Impact Date:</b>	February 5, 2024 - Updated for Additional Agency Response	

---

### **Fiscal Impact Summary**

This bill establishes that certain predatory consumer loan actions, when conducted by persons providing consumer installment loans or deferred presentment loans, constitute an unlawful trade practice. Banks and credit unions are exempt from these provisions. Persons subjected to these prohibited practices may pursue all remedies provided by law. Violations are to be enforced by the Attorney General.

The State Board of Financial Institutions (BOFI) anticipates that there will be no expenditure impact to the agency as the bill does not place additional oversight requirements on the agency.

The Office of the Attorney General reports this bill requires the Office of the Attorney General to perform activities that will be conducted in the normal course of agency business. As a result, this bill does not have an expenditure impact on the agency.

BOFI anticipates that this bill may reduce Other Funds revenue. BOFI operates on Other Funds derived from the fees and fines imposed on the entities that it regulates. Implementing new restrictions on these entities could potentially result in these firms leaving the market, leading to a loss of revenue. This potential revenue impact is undetermined as it is unknown whether, and to what extent, firms will leave the market due to this legislation.

*This impact statement has been updated to include a response from the Office of the Attorney General.*

### **Explanation of Fiscal Impact**

**Updated for Additional Agency Response on February 5, 2024**

**Introduced on January 9, 2024**

#### **State Expenditure**

This bill creates a new unlawful trade practice associated with persons providing consumer installment loans or deferred presentment loans who engage in predatory consumer loan practices. These practices include, but are not limited to, the following:

- Failure to conduct an analysis of a borrower's ability to fully repay a loan;

- Providing a loan to a consumer who does not have the ability to repay based on the analysis conducted above;
- Mailing an unsolicited check or debit/credit card prompting the recipient to borrow money or enter into an installment or deferred presentment loan;
- Renewing a consumer installment loan for a third or subsequent time within 180 days of the previous loan renewal from the same lender;
- Making a deferred presentment loan or paycheck advance loan within 180 days of the previous loan renewal from the same lender;
- Making a payday or paycheck advance loan within 30 days of the original loan;
- Making an installment or payday loan without proper licensing by the State or local governing body;
- Adding an additional set of fees to each loan; and
- Targeting a low-income community through marketing of a consumer installment loan or deferred presentment loan or mailing of an unsolicited check or credit card.

Banks and credit unions are exempt from these provisions. Persons subjected to these prohibited practices may pursue all remedies provided by law.

**State Board of Financial Institutions.** The State Board of Financial Institutions anticipates that there will be no expenditure impact to the agency as the bill does not place additional oversight requirements on the agency.

**Office of the Attorney General.** This bill requires the Office of the Attorney General to perform activities that will be conducted in the normal course of agency business. As a result, this bill does not have an expenditure impact on the Office of the Attorney General.

*This impact statement has been updated to include a response from the Office of the Attorney General.*

#### **State Revenue**

BOFI anticipates that this bill may reduce Other Funds revenue. BOFI operates on Other Funds derived from the fees and fines imposed on entities that it regulates. Implementing new restrictions on these entities could potentially result in these firms leaving the market, leading to a loss of revenue. This potential revenue impact is undetermined as it is unknown whether, and to what extent, firms will leave the market due to this legislation.

#### **Local Expenditure**

N/A

#### **Local Revenue**

N/A

## Introduced on January 9, 2024

### State Expenditure

This bill creates a new unlawful trade practice associated with persons providing consumer installment loans or deferred presentment loans who engage in predatory consumer loan practices. These practices include, but are not limited to, the following:

- Failure to conduct an analysis of a borrower's ability to fully repay a loan;
- Providing a loan to a consumer who does not have the ability to repay based on the analysis conducted above;
- Mailing an unsolicited check or debit/credit card prompting the recipient to borrow money or enter into an installment or deferred presentment loan;
- Renewing a consumer installment loan for a third or subsequent time within 180 days of the previous loan renewal from the same lender;
- Making a deferred presentment loan or paycheck advance loan within 180 days of the previous loan renewal from the same lender;
- Making a payday or paycheck advance loan within 30 days of the original loan;
- Making an installment or payday loan without proper licensing by the State or local governing body;
- Adding an additional set of fees to each loan; and
- Targeting a low-income community through marketing of a consumer installment loan or deferred presentment loan or mailing of an unsolicited check or credit card.

Banks and credit unions are exempt from these provisions. Persons subjected to these prohibited practices may pursue all remedies provided by law.

**State Board of Financial Institutions.** The State Board of Financial Institutions anticipates that there will be no expenditure impact to the agency as the bill does not place additional oversight requirements on the agency.

**Office of the Attorney General.** This bill specifies that violations are to be enforced by the Attorney General. The expenditure impact of this bill on the Office of the Attorney General is pending, contingent upon a response.

### State Revenue

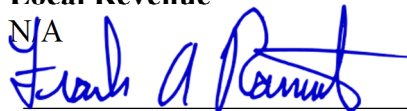
BOFI anticipates that this bill may reduce Other Funds revenue. BOFI operates on Other Funds derived from the fees and fines imposed on entities that it regulates. Implementing new restrictions on these entities could potentially result in these firms leaving the market, leading to a loss of revenue. This potential revenue impact is undetermined as it is unknown whether, and to what extent, firms will leave the market due to this legislation.

### Local Expenditure

N/A

### Local Revenue

N/A



Frank A. Rainwater, Executive Director