

1 H.807

2 Introduced by Representative Botzow of Pownal

3 Referred to Committee on

4 Date:

5 Subject: Banking and insurance; licensed lenders; pension loans

6 Statement of purpose of bill as introduced: This bill proposes to define the
7 offering of certain transactions concerning pension payments as lending
8 subject to the oversight of the Department of Financial Regulation.

9 An act relating to pension loans

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. FINDINGS

12 It is the intent of the Vermont General Assembly to prohibit unlawful and
13 predatory lending practices that target retirement pension proceeds. The
14 General Assembly intends to ensure that practices which unfairly disrupt or
15 interfere with retirees' abilities to manage their pension income will be treated
16 as unlawful lending and will be subject to applicable Vermont State laws.

17 Sec. 2. 8 V.S.A. § 2245 is added to read:

18 § 2245. PENSION LOANS

19 Any person who engages in the business of offering consideration in
20 exchange for a secured interest in all or part of pension proceeds in the

1 possession of a participant, beneficiary, or member of a pension plan, program,
2 or system shall be deemed to be engaged in the business of making loans
3 pursuant to subdivision 2201(a)(1) of this chapter and shall be subject to
4 9 V.S.A. chapters 4 and 63.

5 Sec. 3. EFFECTIVE DATE

6 This act shall take effect on July 1, 2014.