

**Introduced by Senator Walters**

December 19, 2014

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An act to amend Section 22202 of the Financial Code, relating to finance lenders.

LEGISLATIVE COUNSEL'S DIGEST

SB 49, as introduced, Walters. Consumer loans.

Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders and brokers by the Commissioner of Business Oversight. Under existing law, on any loan made that is secured by real property, an appraisal fee not to exceed the actual cost of the appraisal is authorized to be charged by the licensee if a written appraisal is provided to the licensee by a qualified appraiser. Under existing law, only one fee for appraising the same real property is authorized to be collected unless the borrower has obtained a new or additional loan and more than one year has elapsed since the prior appraisal. Existing law specifies that this fee is not included in, among other things, charges, as defined for purposes of this law.

This bill would make nonsubstantive changes to that definition.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 22202 of the Financial Code is amended
- 2 to read:
- 3 22202. "Charges" do not include any of the following:

- 1 (a) Commissions received as a licensed insurance agent or
- 2 broker in connection with insurance written as provided in Section
- 3 22313.
- 4 (b) Amounts not in excess of the amounts ~~specified~~ *set forth* in
- 5 subdivision (c) of Section 3068 of the Civil Code paid to holders
- 6 of possessory liens, imposed pursuant to Chapter 6.5 (commencing
- 7 with Section 3067) of Title 14 of Part 4 of Division 3 of the Civil
- 8 Code, to release motor vehicles that secure loans subject to this
- 9 division.
- 10 (c) Court costs, excluding attorney’s fees, incurred in a suit and
- 11 recovered against a debtor who defaults on his or her loan.
- 12 (d) Fees paid to a licensee for the privilege of participating in
- 13 an open-end credit program, which fees are to cover administrative
- 14 costs and are imposed upon executing the open-end loan ~~agreement~~
- 15 *agreement*, and on annual renewal dates or anniversary dates
- 16 thereafter.
- 17 (e) Amounts received by a licensee from a seller, from whom
- 18 the borrower obtains money, goods, labor, or services on credit,
- 19 in connection with a transaction under an open-end credit program
- 20 that are paid or deducted from the loan proceeds paid to the seller
- 21 at the direction of the borrower and ~~which~~ *that* are an obligation
- 22 of the seller to the licensee for the privilege of allowing the seller
- 23 to participate in the licensee’s open-end credit program. Amounts
- 24 received by a licensee from a seller pursuant to this subdivision
- 25 may not exceed 6 percent of the loan proceeds paid to the seller
- 26 at the direction of the borrower.
- 27 (f) Actual and necessary fees not exceeding five hundred dollars
- 28 (\$500) paid in connection with the repossession of a motor vehicle
- 29 to repossession agencies licensed pursuant to Chapter 11
- 30 (commencing with Section 7500) of Division 3 of the Business
- 31 and Professions ~~Code Code~~, provided that the licensee complies
- 32 with Sections 22328 and 22329, and actual fees paid to a licensee
- 33 in conformity with Sections 26751 and 41612 of the Government
- 34 Code in an amount not exceeding the amount specified in those
- 35 ~~sections~~ *provisions* of the Government Code.
- 36 (g) Moneys paid to, and commissions and benefits received by,
- 37 a licensee for the sale of goods, services, or insurance, whether or
- 38 not the sale is in connection with a loan, that the buyer by a
- 39 separately signed authorization acknowledges is optional, if sale

1 of the goods, services, or insurance has been authorized pursuant  
2 to Section 22154.

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