

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Introduced**

### **Senate Bill 702**

**FISCAL  
NOTE**

By Senator Azinger

[Introduced February 2, 2026; referred  
to the Committee on Banking and Insurance; and  
then to the Committee on Finance]

1 A BILL to amend and reenact §46A-4-107 of the Code of West Virginia, 1931, as amended,  
2 relating to regulated consumer lenders; setting a new maximum annual interest rate for  
3 regulated consumer lenders to charge on loans up to \$35,000; and removing a cap on  
4 nonrevolving loans when determining a finance charge.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 4. REGULATED CONSUMER LENDERS.**

**§46A-4-107. Loan finance charge for regulated consumer lenders.**

1 (1) With respect to a regulated consumer loan, including a revolving loan account, a  
2 regulated consumer lender may contract for and receive a loan finance charge not exceeding that  
3 permitted by this section.

4 (2) A regulated consumer lender may make installment loans of up to \$35,000, which loans  
5 shall have a term of no fewer than six months and no more than 120 months and shall be  
6 repayable in substantially equal consecutive payments. On such loans, the loan finance charge,  
7 calculated according to the actuarial method, may not exceed 36 percent per year on the unpaid  
8 balance of the principal amount. On a loan of \$3,500 or less which is unsecured by real property,  
9 the loan finance charge, calculated according to the actuarial method, may not exceed 31 percent  
10 per year on the unpaid balance of the principal amount.

11 (3) On a loan greater than \$3,500 but less than or equal to \$15,000, or which is secured by  
12 real property, the loan finance charge, calculated according to the actuarial method, may not  
13 exceed 27 percent per year on the unpaid balance of the principal amount: Provided, That the loan  
14 finance charge on any loan greater than \$15,000 may not exceed 18 percent per year on the  
15 unpaid balance of the principal amount. Loans made by regulated consumer lenders shall be  
16 subject to the restrictions and supervision set forth in this article irrespective of their rate of finance  
17 charges.

18 (4)(3) Where the loan is nonrevolving and is greater than \$3,500, the permitted finance  
19 charge may include a charge of not more than a total of two percent of the amount financed for any

20 origination fee, points, or investigation fee: *Provided*, That where any loan, revolving or  
21 nonrevolving, is secured by real estate, the permitted finance charge may include a charge of not  
22 more than a total of five percent of the amount financed for any origination fee, points, or  
23 investigation fee. In any loan secured by real estate, the charges may not be imposed again by the  
24 same or affiliated lender in any refinancing of that loan made within 24 months thereof, unless  
25 these earlier charges have been rebated by payment or credit to the consumer under the actuarial  
26 method or the total of the earlier and proposed charges does not exceed five percent of the  
27 amount financed. Charges permitted under this subsection shall be included in the calculation of  
28 the loan finance charge. The financing of the charges is permissible and does not constitute  
29 charging interest on interest. In a revolving home equity loan, the amount of the credit line  
30 extended is, for purposes of this subsection, the amount financed. Other than herein provided, no  
31 points, origination fee, investigation fee, or other similar prepaid finance charges attributable to the  
32 lender or its affiliates may be levied. Except as provided for by §46A-3-109 of this code, no  
33 additional charges may be made; nor may any charge permitted by this section be assessed  
34 unless the loan is made. To the extent that this section overrides the preemption on limiting points  
35 and other charges on first lien residential mortgages contained in Section 501 of the United States  
36 Depository Institutions Deregulation and Monetary Control Act of 1980, the state law limitations  
37 contained in this section shall apply. If the loan is precomputed:

38 (a) The loan finance charge may be calculated on the assumption that all scheduled  
39 payments will be made when due; and

40 (b) The effect of prepayment, refinancing, or consolidation is governed by the provisions on  
41 rebate upon prepayment, refinancing, or consolidation contained in §46A-3-111 of this code.

42 (5) (4) For the purposes of this section, the term of a loan commences on the date the loan  
43 is made. Differences in the lengths of months are disregarded and a day may be counted as one  
44 thirtieth of a month. Subject to classifications and differentiations the licensee may reasonably  
45 establish, a part of a month in excess of 15 days may be treated as a full month if periods of 15

46 days or less are disregarded and if that procedure is not consistently used to obtain a greater yield  
47 than would otherwise be permitted.

48 (6) (5) With respect to a revolving loan account:

49 (a) A charge may be made by a regulated consumer lender in each monthly billing cycle  
50 which is one-twelfth of the maximum annual rates permitted by this section computed on an  
51 amount not exceeding the greatest of:

52 (i) The average daily balance of the debt; or

53 (ii) The balance of the debt at the beginning of the first day of the billing cycle, less all  
54 payments on and credits to such debt during such billing cycle and excluding all additional  
55 borrowings during the billing cycle.

56 For the purpose of this subdivision, a billing cycle is monthly if the billing statement dates  
57 are on the same day each month or do not vary by more than four days therefrom.

58 (b) If the billing cycle is not monthly, the maximum loan finance charge which may be made  
59 by a regulated consumer lender is that percentage which bears the same relation to an applicable  
60 monthly percentage as the number of days in the billing cycle bears to 30.

61 (c) Notwithstanding subdivisions (a) and (b) of this subsection, if there is an unpaid balance  
62 on the date as of which the loan finance charge is applied, the licensee may contract for and  
63 receive a charge not exceeding 50 cents if the billing cycle is monthly or longer or the pro rata part  
64 of 50 cents which bears the same relation to 50 cents as the number of days in the billing cycle  
65 bears to 30 if the billing cycle is shorter than monthly, but no charge may be made pursuant to this  
66 subdivision if the lender has made an annual charge for the same period as permitted by the  
67 provisions on additional charges.

68 (7) As an alternative to the loan finance charges allowed by subsections (2) and (4) of this  
69 section, a regulated consumer lender may on a loan not secured by real estate of \$3,500 or less  
70 contract for and receive interest at a rate of up to 31 percent per year on the unpaid balance of the  
71 principal amount, together with a nonrefundable loan processing fee of not more than two percent

72 ~~of the amount financed: *Provided*, That no other finance charges are imposed on the loan. The~~  
73 ~~processing fee permitted under this subsection shall be included in the calculation of the loan~~  
74 ~~finance charge and the financing of the fee shall be permissible and may not constitute charging~~  
75 ~~interest on interest.~~

76 (8) (6) Notwithstanding any contrary provision in this section, a licensed regulated  
77 consumer lender who is the assignee of a nonrevolving consumer loan unsecured by real property  
78 located in this state, which loan contract was applied for by the consumer when he or she was in  
79 another state, and which was executed and had its proceeds distributed in that other state, may  
80 collect, receive, and enforce the loan finance charge and other charges, including late fees,  
81 provided in the contract under the laws of the state where executed: *Provided*, That the consumer  
82 was not induced by the assignee or its in-state affiliates to apply and obtain the loan from an out-of-  
83 state source affiliated with the assignee in an effort to evade the consumer protections afforded by  
84 this chapter. Such charges may not be considered to be usurious or in violation of the provisions of  
85 this chapter or any other provisions of this code.

NOTE: The purpose of this bill is to set a maximum interest rate which licensed regulated consumer lenders may charge on installment loans and remove a cap on nonrevolving loans when determining a finance charge.

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