

S.223

An act relating to regulating the making of pension loans

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

Sec. 1. FINDINGS

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

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

§ 2245. PENSION LOANS

Any person who engages in the business of offering consideration in exchange for a secured interest in all or part of pension proceeds in the possession of a participant, beneficiary, or member of a pension plan, program, or system shall be deemed to be engaged in the business of making loans pursuant to subdivision 2201(a)(1) of this chapter and shall be subject to 9 V.S.A. chapters 4 and 63.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2014.