

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 223
3 entitled “An act relating to regulating the making of pension loans”
4 respectfully reports that it has considered the same and recommends that the
5 bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

7 Sec. 1. FINDINGS

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

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

14 § 2245. PENSION LOANS

15 Any person who engages in the business of offering consideration in
16 exchange for a secured interest in all or part of pension proceeds in the
17 possession of a participant, beneficiary, or member of a pension plan, program,
18 or system shall be deemed to be engaged in the business of making loans
19 pursuant to subdivision 2201(a)(1) of this chapter and shall be subject to
20 9 V.S.A. chapters 4 and 63.

1 Sec. 3. EFFECTIVE DATE

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

3

4 (Committee vote: _____)

5

6

Senator _____

7

FOR THE COMMITTEE