

April 20, 2016

The Honorable Scott Schwab, Chairperson
House Committee on Insurance and Financial Institutions
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Schwab:

SUBJECT: Fiscal Note for HB 2695 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2695 is respectfully submitted to your committee.

HB 2695 relates to the Uniform Consumer Credit Code and would make changes to how lenders work with senior citizens. The changes would include placing caps on interest rates and restricting certain conditions lenders could place on loans. HB 2695 would also allow a subtraction modification to federal adjusted gross income for the amount of consumer loan interest made to a senior citizen that charges interest of 15.0 percent or less and allows a repayment term of at least 12 months.

The Department of Revenue estimates enactment of HB 2695 would require \$11,700 in administrative costs. The Office of the State Bank Commissioner estimates HB 2695 would reduce the number of loans issued to seniors and, as a result, reduce fee dollars collected. However, no data is currently collected on the age of borrowers which makes estimating the exact fiscal effect difficult. Any fiscal effect associated with HB 2695 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Judi Stork, Banking
Jack Smith, Department of Revenue