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REPORT OF COUNSEL

MAY 2015

GRACE PERIOD FOR CREDIT CARD INTEREST IN VIRGINIA

During the summer months the newsletter will highlight recent Virginia legislation and case law that may be of interest to you. This week we take a look at a bill that gives borrowers more time to make a payment in full without the imposition of a finance charge by the lender.

House Bill 1800 amends and reenacts §§ 6.2-313 and 6.2-318. The period used in determining whether a borrower paid his open-end credit card balance in full is adjusted. When the credit card balance is paid in full, the borrower is exempt from a finance charge on purchases of merchandise and services. The new law provides that a bank, savings institution or credit union cannot impose a finance charge on purchases of merchandise or services by credit card if payment in full of the unpaid balance is received prior to the payment due date and requires that the payment due date be at least 25 days later than the billing date.

Under existing law the next billing date, rather than the payment due date was the

date that applied for the exemption from a finance charge.

Thought for the week from one of the speakers at a recent Virginia seminar on real estate law -

“No man’s life, liberty or property is safe while the General Assembly is in session”