Bill No.:	**SB 692**
Version:	**INT**
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Author:	**Sen. Smalley**
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Bill Analysis

SB 692 creates the Consumer Access Line of Credit (CALC) Loan Act. The measure authorizes lenders to provide CALC loans, defined as a pre-approved loan account established as an open-end line of credit in a predetermined maximum amount for a subprime or non-prime customer who otherwise is ineligible for a bank-issued credit card. Lenders may charge prime plans up to 15% interest on the loan and charge $0.45 per $100.00 of the loan balance for each day the loan balance remains unpaid.

Lenders are required by the measure to conduct an ability-to-pay analysis on each CALC loan customer. The analysis must contain information from at least one national credit bureau report together with other verified documents reporting the customer's income and liabilities and reasonable ability to repay the CALC loan. CALC lenders must set a payment schedule requiring 5% of the principal to be paid down each month and may not accept interest only payments. Customers may request a no cost repayment schedule if there is difficulty meeting the payments and are limited to one unpaid CALC loan at a time.

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