**South Carolina General Assembly**

126th Session, 2025-2026

**S. 488**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Davis

Document Path: SR-0054CEM25.docx

Introduced in the Senate on March 25, 2025

Currently residing in the Senate Committee on **Labor, Commerce and Industry**

Summary: Unfair Trade Lending Practices

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 3/25/2025 Senate Introduced and read first time (Senate Journal‑page 8)

 3/25/2025 Senate Referred to Committee on **Labor, Commerce and Industry** (Senate Journal‑page 8)

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=488&session=126&summary=B)  at the website

**VERSIONS OF THIS BILL**

[03/25/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/488_20250325.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 39‑5‑30 SO AS TO MAKE IT UNLAWFUL FOR ANY PERSON PROVIDING A CONSUMER INSTALLMENT LOAN OR DEFERRED PRESENTMENT LOAN TO ENGAGE IN PREDATORY CONSUMER LOAN PRACTICES; AND BY ADDING SECTION 37‑3‑516 SO AS TO CREATE A DATABASE THROUGH THE CONSUMER FINANCE DIVISION OF THE BOARD OF FINANCIAL INSTITUTIONS TO COLLECT DATA AND TO PREVENT A PERSON FROM HAVING A SUPERVISED OR RESTRICTED LOAN TRANSACTION THAT EXCEEDS THE LIMITS FOR REFINANCING LOANS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 5, Title 39 of the S.C. Code is amended by adding:

 Section 39‑5‑30. (A) It shall be an unlawful trade practice for any person providing a consumer installment loan or a deferred presentment loan pursuant to Title 37 or Title 34 of the South Carolina Code of Laws to engage in predatory consumer loan practices, including, but not limited to:

 (1)(a) failing to conduct an analysis of a borrower’s ability to fully repay a loan. This analysis must:

 (i) be included in and documented with the borrower’s loan application;

 (ii) consider the borrowers, and any coborrower's, employment, monthly income, and monthly expenses, including, but not limited to, other consumer installment, revolving credit, or deferred presentment loans, compared to the loan's repayment obligation for the original term and permitted renewals; and

 (iii) include a signed statement that the information the borrower has provided regarding employment, income, and expenses is documented, true, and correct, and that, given the information, the borrower has the ability to repay the loan.

 (b) If the consumer instalment loan is renewed at any time or a deferred presentment or paycheck advance loan is made within thirty days of the original loan, then an analysis of the borrower’s ability to fully repay the loan must be conducted and documented assessing the borrower’s and any coborrower’s updated employment, monthly income, and other monthly expenses compared to the loan's repayment obligation for the original term and permitted renewals;

 (2) making a loan to a consumer who does not have the ability to repay after conducting the analysis required in subitem (1);

 (3) mailing an unsolicited check or a debit or credit card that prompts the recipient to borrow money or prompts a person to enter into an installment or deferred presentment loan in any way;

 (4) renewing an installment for a third time, or more, within one hundred and eighty days of the previous loan renewal from the same lender;

 (5) making a deferred presentment loan or a paycheck advance loan within one hundred and eighty days of the previous loan renewal from the same lender;

 (6) renewing or making a deferred presentment or paycheck advance loan within thirty days of the original loan;

 (7) making an installment or payday loan without proper licensing by the State or local governing body; and

 (8) adding an additional set of fees to each loan.

 (B) Nothing in this section shall apply to any actions or transactions of a state or federally chartered depository institution insured by the Federal Deposit Insurance Corporation and doing business in this State or to any actions or transactions of a state or federally chartered credit union insured by the National Credit Union Administration doing business in this State.

 (C) Violations of this section shall be enforced by the Attorney General. Individuals who were subjected to these prohibited practices may pursue all remedies provided by law, including, but not limited to, remedies provided for in this chapter.

SECTION 2. Chapter 3, Title 37 of the S.C. Code is amended by adding:

 Section 37‑3‑516. (A) In order to prevent a person from having a supervised or restricted loan transaction that exceeds the limits for refinancing loans in Section 39‑5‑30, and to allow for the collection of data that is required by Sections 37‑3‑506 and 34‑29‑100, the Consumer Finance Division of the Board of Financial Institutions shall enter into a contract with a single source private vendor to develop and operate a common database with real‑time access through an internet connection for supervised and restricted lenders, as provided in this subsection.

 (1) The database must be accessible to the board and the supervised lenders to meet the requirements of this chapter and verify whether a transaction has been refinanced more than three times for a particular person in violation of this section.

 (2) Before entering into a loan transaction, supervised lenders shall submit the drawer's name, social security number or employment authorization alien number, address, driver's license number, amount of the transaction, and date of transaction, and any additional information required by the board to the database provider in a format the board requires by regulation.

 (3) Once a transaction has been paid in full, supervised lenders shall submit the drawer's name, social security number or employment authorization alien number, address, driver's license number, amount of the transaction, date of transaction, date that the transaction is closed, and any additional information required by the board in a format the board requires by regulation.

 (4) The database provider may impose the database verification fee authorized for data required to be submitted by a licensee.

 (5) The board may adopt procedures to administer and enforce the provisions of this section and to ensure that the database is used by licensees in accordance with this section.

 (B) The information provided in the database may only be used to determine whether a customer is eligible or ineligible to enter into a new transaction and to describe the reason for the determination of eligibility or ineligibility.

 (C) Based upon data provided by the database vendor, the Board of Financial Institutions shall annually report to the General Assembly information concerning loans made in South Carolina in the previous reporting year, including:

 (1) loans made in South Carolina by loan amount and the dollar amount of fees collected by loan amount;

 (2) borrowers by loan amount and the number of borrowers by the number of times each borrower took out a loan;

 (3) borrowers who paid off their loans through a refinance with the same lender;

 (4) loans that were not paid off in the previous year by loan amount;

 (5) loans on which the lender filed a collection by loan amount and the number of loans on which the lender took action for collection; and

 (6) the number of automobile repossessions made by the lender when an automobile was used as collateral, and whether this was a purchase money or non‑purchase money loan.

 (D) The Senate Banking and Insurance Committee and the House of Representatives Labor, Commerce, and Industry Committee must meet annually, jointly or separately, to hold a hearing concerning the data provided by the database vendor and the report submitted by the Board of Financial Institutions. The vendor and the Board of Financial Institutions must testify at the meeting and answer questions, including questions related to the data and the report.

SECTION 3. The database provided for in this act must be operational by January 1, 2026.

SECTION 4. This act takes effect upon approval by the Governor.

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