

BEFORE THE COMMISSIONER OF INSURANCE

STATE OF GEORGIA

IN THE MATTER OF:

CHAPTER 120-1-16

CLOSING FEES

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DOCKET NUMBER I-13-IL-1

ORDER

I. STATEMENT OF PROCEEDINGS

On June 13, 2013, Notice of Intent to Adopt Rule Changes and Notice of Hearing was given regarding the following proposed regulations (Record, Exhibit 1):

- Adding Regulation 120-1-16-.01 entitled "Statutory Authority"
- Adding Regulation 120-1-16-.02 entitled "Purpose"
- Adding Regulation 120-1-16-.03 entitled "Closing Fee Charges"
- Adding Regulation 120-1-16-.04 entitled "Licensee Eligibility to Charge Closing Fee"
- Adding Regulation 120-1-16-.05 entitled "Location of Closing Fee on Contract"
- Adding Regulation 120-1-16-.06 entitled "Applicability of Usury Law"
- Adding Regulation 120-1-16-.07 entitled "Severability"

By letter dated July 2, 2013, the Office of the Attorney General opined that the proposed regulations are within this office's scope of authority (Record, Exhibit 5). Pursuant to O.C.G.A. Section 50-13-4(e), the proposed regulations were transmitted to Wayne R. Allen, Legislative Counsel for the General Assembly, for assignment to the appropriate standing committees of the Senate and House of Representatives (Record, Exhibit 6) and were assigned accordingly (Record, Exhibit 7).

II. CONSIDERATION OF INTERESTED PARTY COMMENTS

Interested persons were given the opportunity to participate in the proposed rulemaking by submitting their written comments to the Office of the Industrial Loan Commissioner

("Office") by 4:30 p.m. on Monday, July 22, 2013, and by making oral comments at the public hearing held July 25, 2012. No written comments were received.

Keith Shadix, Director of the Industrial Loan Division of this Office, was the only person to offer oral comments at the hearing. According to Mr. Shadix, the primary purpose of the proposed regulations is to implement changes to Georgia law and establish procedures for the charging of closing fees on small loans that this Office regulates. By way of background, Senate Bill 139, passed during the most recent session of the Georgia General Assembly, modified O.C.G.A. Section 13-1-14. That code section explicitly references and applies to the Georgia Industrial Loan Act.

III. DECISION

WHEREAS, the Commissioner finds persuasive the comments offered by Mr. Shadix regarding the need for the proposed regulations, and **WHEREAS**, no comments were offered in opposition to the proposed regulations, **IT IS HEREBY ORDERED** that the proposed Chapter 120-1-16 entitled "Closing Fees" a copy of which is attached hereto and made a part by reference, is **HEREBY ADOPTED**.

Given under my Hand and Seal this 8th day of August, 2013.



RALPH T. HUDGENS
INDUSTRIAL LOAN COMMISSIONER
STATE OF GEORGIA