



Colorado Legislative Council Staff Fiscal Note
NO FISCAL IMPACT

Drafting Number: LLS 11-0179**Date:** January 25, 2011**Prime Sponsor(s):** Rep. Kerr J.**Bill Status:** House Judiciary**Fiscal Analyst:** Bill Zepernick (303-866-4777)

TITLE: CONCERNING A LIMITATION ON A LENDER'S ABILITY TO COLLECT AGAINST A DEBTOR'S PERSONAL LIABILITY WHEN THE LOAN IS SECURED BY COLLATERAL.

Summary of Legislation

The bill requires that a creditor first attempt to collect from collateral when a secured loan is in default. If the proceeds from the collateral are insufficient to fully repay the loan balance and allowable costs, the creditor may then attempt to collect from the debtor's other assets.

The bill takes effect August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.

Assessment

The bill is assessed at no fiscal impact, as it will not affect costs at any state agency. Current law has certain limitations on collateral and collection practices for small loans, and adding limitations for secured loans will not require additional resources for state banking and financial regulators or for the courts.

Departments Contacted

Judicial

Law

Regulatory Agencies

State