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Department of Consumer Affairs

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October 22, 1975

Administrative Interpretation No. 3.104-7511

A PERSON "REGULARLY ENGAGES" IN MAKING CONSUMER LOANS WHERE SUCH LOANS ARE MADE AS A REGULAR COURSE OF BUSINESS, AS OPPOSED TO ISOLATED INCIDENTS.

You have requested an interpretation of South Carolina Consumer Protection Code Section 3.104, S.C. Code §8-800.234.

Your question concerned a utility company's practice of extending credit to its employees to enable them to purchase appliances. As you indicated, the transaction involves credit granted to a person for personal, family or household purpose with a charge for credit which meets the basic requirements of a consumer loan. The only question therefore is whether the Company is "a person regularly engaged in the business" of making consumer loans.

It is the position of this Department that "regularly engaged" means "as a regular course of business" and does not refer to volume or percentage of business and is not dependent upon whether it is a major or minor endeavor. So long as the Company regularly extends credit to its employees, as opposed to isolated incidents, the Company extends consumer credit for purposes of the Consumer Protection Code and is therefore subject to its provisions.

By Kathleen Goodpasture Smith
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