

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

SENATE BILL NO. 756

BY: HENDRICK

AS INTRODUCED

AN ACT RELATING TO CONSUMER CREDIT; AMENDING 14A O.S. 1991, SECTION 5-107, WHICH RELATES TO EXTORTIONATE EXTENSIONS OF CREDIT; CHANGING ALLOWABLE ANNUAL PERCENTAGE RATE OF INTEREST; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 14A O.S. 1991, Section 5-107, is amended to read as follows:

Section 5-107. (1) If it is the understanding of the creditor and the debtor at the time an extension of credit is made that delay in making repayment or failure to make repayment could result in the use of violence or other criminal means to cause harm to the person, reputation, or property of any person, the repayment of the extension of credit is unenforceable through civil judicial processes against the debtor.

(2) If it is shown that an extension of credit was made at an annual rate exceeding ~~forty-five percent (45%)~~ twenty-one percent (21%) calculated according to the actuarial method and that the creditor then had a reputation for the use or threat of use of violence or other criminal means to cause harm to the person, reputation, or property of any person to collect extensions of

credit or to punish the nonrepayment thereof, there is prima facie evidence that the extension of credit was unenforceable under subsection (1) of this section, unless such rate was otherwise lawful under any provision or provisions of this act.

SECTION 2. This act shall become effective September 1, 1992.

43-2-1777           KS