

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2091

By: Holt

AS INTRODUCED

An Act relating to the Consumer Credit Code; creating the Consumer Credit Lender Protection Act; stating purpose and intent; assessing certain fee on certain consumer loans; providing for collection and remittance of fee; providing procedure for recovery or reimbursement of certain funds; creating certain limitations; creating the Consumer Credit Lender Protection Act Revolving Fund; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-701 of Title 14A, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Consumer Credit Lender Protection Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-702 of Title 14A, unless there is created a duplication in numbering, reads as follows:

The purpose of this act is to protect the lender of consumer loans and other similar loans against failure in the performance of

contractual obligations as specified in Section 3-101 et seq. of this title because of the impairment or insolvency of the debtor. To provide this protection, a fund is created and exists to pay certain benefits to lenders subject to a fee assessment to carry out the purpose of this act.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-703 of Title 14A, unless there is created a duplication in numbering, reads as follows:

A. For the purpose of providing the funds necessary to carry out the provisions of this act, there shall be charged, in addition to any other fees provided in Section 3-101 et seq. of this title, a Five Dollar (\$5.00) fee on each and every loan made pursuant to the provisions of Section 3-101 et seq. of this title. The fee shall be paid by the debtor at the time the loan is made by the lender to the debtor.

B. Every lender shall be required to collect the fee and remit the fees every thirty (30) days to the Oklahoma Tax Commission which shall place the funds to the credit of the Consumer Credit Lender Protection Act Revolving Fund created pursuant to Section 4 of this act.

C. If any debtor of a loan made pursuant to the provisions under Section 3-101 et seq. becomes impaired or insolvent as a result of the filing of a bankruptcy petition and a lender of a loan hereunder is not secured sufficiently enough to cover any loss upon the final discharge of the bankruptcy petitioner, the lender shall be entitled to recover any loss of the principal and interest, up to the date of the filing of the bankruptcy petition, as a result of the debtor's bankruptcy action. In no event shall the Department of Consumer Credit be obligated to pay a claimant an amount in excess of the obligation of the insolvent debtor. The lender shall make written request to the Department of Consumer Credit for recovery under this act and shall provide all the necessary documentation to

prove any loss. The Department of Consumer Credit shall promulgate any necessary rules to implement the provisions of this act.

D. Any lender who fails to collect or remit the fee provided in this act for any given period, shall not be entitled to any reimbursement for a loss until such lender submits all the fees which are due and owing to the Consumer Credit Lender Protection Act Revolving Fund.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-704 of Title 14A, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Department of Consumer Credit to be designated the "Consumer Credit Lender Protection Act Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma Tax Commission from the fee levied pursuant to the provisions of this act and such other monies accredited to the fund pursuant to law. All monies accruing to the credit of the fund shall be used exclusively for the reimbursement of obligations under the provisions of this act. No monies from this revolving fund shall be transferred for any purpose to any other state agency or be used for the purpose other than the provisions of this act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 5. This act shall become effective September 1, 1994.

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