STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

HOUSE BILL NO. 1050 By: Weaver of the House

and

Smith of the Senate

AS INTRODUCED

An Act relating to the consumer credit code; amending 14A O.S. 1991, Section 3-203, which relates to delinquency charges; modifying amount of delinquency charge on certain precomputed consumer loan, refinancing or consolidation; modifying delinquency charge and type of loans subject to delinquency charge for certain loans not precomputed; and providing an effective date.

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

SECTION 1. AMENDATORY 14A O.S. 1991, Section 3-203, is amended to read as follows:

Section 3-203. (1) With respect to a precomputed consumer loan, refinancing, or consolidation, the parties may contract for a delinquency charge on any installment not paid in full within ten (10) days after its scheduled due date in an amount not exceeding the greater of:

(a) ~~Five Dollars ($5.00), which is~~ five percent (5%) of the unpaid amount of the installment or the dollar amount provided by rule of the Administrator for this section pursuant to Section 1-106 of this title, whichever is greater, or

(b) the deferral charge (subsection (1) of Section 3-204) that would be permitted to defer the unpaid amount of the installment for the period that it is delinquent.

(2) A delinquency charge under paragraph (a) of subsection (1) may be collected only once on an installment however long it remains in default. No delinquency charge may be collected if the installment has been deferred and a deferral charge (Section 3-204) has been paid or incurred. A delinquency charge may be collected at the time it accrues or at any time thereafter.

(3) No delinquency charge may be collected on an installment which is paid in full within ten (10) days after its scheduled installment due date even though an earlier maturing installment or a delinquency charge on an earlier installment may not have been paid in full. For purposes of this subsection payments are applied first to current installments and then to delinquent installments.

(4) If two installments or parts thereof of a precomputed loan are in default for ten (10) days or more, the lender may elect to convert the loan from a precomputed loan to one in which the loan finance charge is based on unpaid balances. In this event he shall make a rebate pursuant to the provisions on rebate upon prepayment (Section 3-210) as of the maturity date of the first delinquent installment, and thereafter may make a loan finance charge as authorized by the provisions on loan finance charge for consumer loans (Section 3-201) or the provisions on loan finance charge for supervised loans (Section 3-508A), whichever is appropriate. The amount of the rebate shall not be reduced by the amount of any permitted minimum charge (Section 3-210). If the lender proceeds

under this subsection, any delinquency or deferral charges made with respect to installments due at or after the maturity date of the first delinquent installment shall be rebated, and no further delinquency or deferral charges shall be made.

(5) ~~The parties to a revolving loan account accessed by a lender credit card or similar arrangement may contract for a delinquency charge with respect to a payment due in connection with a billing cycle, to be payable if the payment is not made in full within ten (10) days after its due date. The delinquency charge may not exceed~~ With respect to a consumer loan, refinancing or consolidation, which is not precomputed, including a revolving loan account accessed by lender credit card or similar arrangement, the parties may contract for a delinquency charge on any installment not paid in full within ten (10) days after its scheduled due date in an amount not exceeding the greater of five percent (5%) of the unpaid amount of the payment or the dollar amount provided by the rule of the Administrator in effect for this section pursuant to Section 1-106 of this title. No more than one delinquency charge may be imposed in each billing cycle and it may be collected at any time after it accrues either independently of any payment made on the account or from a payment made if the lender discloses delinquency charges to the debtor as they are imposed and informs the debtor of the full amount that the debtor must pay for the applicable period in order to remain current on the account.

SECTION 2. This act shall become effective November 1, 1997.

46-1-5254 JAF