ENGROSSED HOUSE
BILL NO. 2679

By: Weaver of the House

and

Easley of the Senate

An Act relating to the Consumer Credit Code; amending 14A O.S. 1991, Section 2-203, which relates to delinquency charges; modifying type of certain consumer credit sale, refinancing, or consolidation which parties may contract for delinquency charge; and declaring an emergency.

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

SECTION 1. AMENDATORY 14A O.S. 1991, Section 2-203, is amended to read as follows:

Section 2-203. (1) With respect to a ~~precomputed~~ consumer credit sale, 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) an amount, not exceeding Five Dollars ($5.00), which is five percent (5%) of the unpaid amount of the installment; or

(b) the deferral charge (subsection (1) of Section 2-204 <u>of this title</u>) 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 2-204 <u>of this title</u>) 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) The parties to a revolving charge account accessed by a seller 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 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 seller discloses delinquency charges to the buyer as they are imposed and informs the buyer of the full amount that the buyer must pay for the applicable period in order to remain current on the account.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 14th day of March, 2000.

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Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 2000.

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President of the Senate