

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1199

By: Ross

COMMITTEE SUBSTITUTE

An Act relating to consumer protection; permitting certain prepayment penalties on certain loans; prohibiting prepayment penalties after certain time period; 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 277 of Title 15, unless there is created a duplication in numbering, reads as follows:

As a condition of a consumer being permitted to prepay a consumer loan secured by a mortgage on real property in full prior to the maturity of the loan, an extender of credit may contract for and receive from a borrower of money a prepayment penalty in an amount which shall not exceed the following:

1. Five percent (5%) of the unpaid principal balance if the loan is prepaid in full during the first year of its term;
2. Three percent (3%) of the unpaid principal balance if the loan is prepaid in full during the second year of its term; and
3. One percent (1%) of the unpaid principal balance if the loan is prepaid in full during the third year of its term.

No prepayment penalties shall be assessed if the loan is prepaid in full after the third year of its term.

SECTION 2. This act shall become effective November 1, 1999.

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