STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

SENATE BILL 1380 By: Easley

AS INTRODUCED

An Act relating to consumer credit; amending 14A O.S. 1991, Section 3-508B, as amended by Section 7, Chapter 288, O.S.L. 1997 (14A O.S. Supp. 1999, Section 3-508B), which relates to loan finance charges; clarifying language; and providing an effective date.

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

SECTION 1. AMENDATORY 14A O.S. 1991, Section 3-508B, as amended by Section 7, Chapter 288, O.S.L. 1997 (14A O.S. Supp. 1999, Section 3-508B), is amended to read as follows:

Section 3-508B. (1) On loans having a principal of One Hundred Dollars ($100.00) or less, a supervised lender may charge in lieu of the loan finance charges specified in Section 3-508A of this title, the following amounts:

(a) on any amount up to and including Twenty-nine Dollars and ninety-nine cents ($29.99), a charge may be added at the ratio of One Dollar ($1.00) for each Five Dollars ($5.00) of principal;

(b) on any loan in an amount in excess of Twenty-nine Dollars and ninety-nine cents ($29.99) up to and including the amount of Thirty-five Dollars ($35.00), there shall be allowed an acquisition charge for making the loan not in excess of 1/10 of the amount of the principal. In addition thereto, an installment account handling charge shall be allowed not to exceed Three Dollars ($3.00) per month;

(c) on any loan of an amount in excess of Thirty-five Dollars ($35.00) but not more than Seventy Dollars ($70.00), there shall be allowed an acquisition charge for making the loan not in excess of 1/10 of the amount of the principal. In addition thereto, an installment account handling charge shall be allowed not to exceed Three Dollars and fifty cents ($3.50) per month;

(d) on any loan of an amount in excess of Seventy Dollars ($70.00) but not in excess of One Hundred Dollars ($100.00), there shall be allowed an acquisition charge for making the loan, not in excess of 1/10 of the amount of the principal. In addition thereto, an installment account handling charge shall be allowed not to exceed Four Dollars ($4.00) per month.

(e) on any loan in an amount in excess of One Hundred Dollars ($100.00) up to and including the amount of One Hundred Fifty Dollars ($150.00), there shall be allowed an acquisition charge for making the loan not in excess of 1/10 of the amount of the principal. In addition thereto, an installment account handling charge shall be allowed not to exceed Four Dollars and fifty cents ($4.50) per month;

(f) on any loan of an amount in excess of One Hundred Fifty Dollars ($150.00) but not more than Two Hundred Dollars ($200.00), there shall be allowed an acquisition charge for making the loan not in excess of 1/10 of the amount of the principal. In addition thereto, an installment account handling charge shall be allowed not to exceed Five Dollars ($5.00) per month;

(2) The maximum term of any loan made under the terms of this section shall be one (1) month for each Ten Dollars ($10.00) of principal up to a maximum term of ten (10) months. Provided, however, that under subsections (e) and (f) of this section, the maximum terms shall be one (1) month for each Twenty Dollars ($20.00) of principal up to a maximum term of ten (10) months.

(3) The minimum term of any loan made under the terms of subsections (b) through (f) of this section shall be no less than sixty (60) days. Any loan made under the terms of this section shall be scheduled to be payable in substantially equal installments at not less than thirty (30) day intervals, with the first installment to be scheduled to be due not less than one (1) calendar month after the date such loan is made.

(4) Loans made under this section may be refinanced or consolidated according to the provisions of this section, notwithstanding anything in this act to the contrary. When a loan made under this section is refinanced or consolidated, installment account handling charges on the loans being refinanced or consolidated must be rebated pursuant to the provisions regarding rebate on prepayment (Section 3-210) as of the date of refinancing or consolidation. For the purpose of determining the amount of acquisition and installment account handling charges permitted in relation to the refinancing or the consolidation of loans made under this section, the principal resulting from the refinancing or consolidation is the total of the unpaid balances of the principal of the loans being refinanced or consolidated, plus any new money advanced, and any delinquency or deferral charges if due and unpaid, less any unearned acquisition and installment account handling charges imposed in connection with loans being refinanced or consolidated.

(5) On such loans under this section, no insurance charges or any other charges of any nature whatsoever shall be permitted.

(6) Except as otherwise provided, the acquisition charge authorized herein shall be deemed to be earned at the time a loan is made and shall not be subject to refund. Provided, however, in a loan made under this section which is prepaid in full, refinanced or consolidated within the first sixty (60) days, the acquisition charge under this section will not be fully earned at the time the loan is made, but must be refunded pro rata at the rate of one-sixtieth (1/60) of the acquisition charge for each day from the date of the prepayment, refinancing or consolidation to the sixtieth day of the loan. On the prepayment of any loan under this section, the installment account handling charge shall be subject to the provisions of Section 3-210 as it relates to refunds. Provisions of Section 3-203 as it relates to delinquency charges and Section 3-204 as it relates to deferral charges shall apply to loans made under the section.

SECTION 2. This act shall become effective November 1, 2000.

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