

EHB 1503

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THE STATE SENATE
Thursday, March 27, 2003

ENGROSSED
House Bill No. 1503
As Amended

ENGROSSED HOUSE BILL NO. 1503 - By: MADDUX, CARGILL, DeWITT, TIBBS
and YOUNG of the House and MONSON of the Senate.

[consumer credit - live checks - mailing requirements -
codification - effective date]

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 3-610 of Title 14A, unless there
is created a duplication in numbering, reads as follows:

(1) As used in this section, "live check" means any loan or
extension of credit that is made available in the form of a check,
draft, or any other negotiable instrument that can be deposited in a
bank or used for third-party payments. "Live check" does not
include a check, draft, or any other negotiable instrument provided
in response to an application for credit or as a means of access to
an existing loan or extension of credit, including a home equity or
personal line of credit.

(2) No person shall produce, advertise, offer, sell,
distribute, or otherwise transfer for use in this state any live
check unless the document bears the following phrase printed in 12-

1 point type on the front of the document: "THIS IS A LOAN OR AN
2 EXTENSION OF CREDIT. YOU WILL PAY CHARGES."

3 (3) Live checks shall only be negotiable for a period of forty-
4 five (45) days after the date printed on the live check. Printed
5 material accompanying the live check shall advise the consumer to
6 void and destroy the live check if it is not going to be negotiated.

7 (4) Loan solicitations shall be mailed in envelopes with no
8 indication that a negotiable instrument is contained in the mailing.
9 Envelopes shall be marked with "do not forward" instructions to the
10 postal service in the event that the intended addressee is no longer
11 at the location.

12 (5) Any loan solicitation made through a live check shall be
13 honored in the full amount by the issuer unless the account on which
14 the solicitation is made is closed by the consumer prior to the date
15 the check is cashed.

16 SECTION 2. This act shall become effective November 1, 2003.

17 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 3-25-03 - DO PASS,
18 As Amended.