

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

SENATE BILL 1524

By: Lawler

AS INTRODUCED

An Act relating to professions and occupations; amending Section 2, Chapter 240, O.S.L. 2003 (59 O.S. Supp. 2003, Section 3102), which relates to the Deferred Deposit Lending Act; clarifying reference; and providing an effective date.

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

SECTION 1. AMENDATORY Section 2, Chapter 240, O.S.L. 2003 (59 O.S. Supp. 2003, Section 3102), is amended to read as follows:

Section 3102. As used in ~~this act~~ the Deferred Deposit Lending Act:

1. "Administrative Procedures Act" means the general act of this state governing administrative procedures and is cited in Section 250 et seq. of Title 75 of the Oklahoma Statutes;

2. "Administrator" means the Administrator as defined in the Uniform Consumer Credit Code;

3. "Business instrument" means a draft, check or evidence of the proceeds paid to a debtor in a deferred deposit loan transaction by a deferred deposit lender;

4. "Debtor" means the signor of an instrument which is initially payable to a deferred deposit lender;

5. "Deferred deposit lender" or "lender" means any person licensed under this act to make deferred deposit loans, including an assignee of the lender's right to payment, but use of the term does not itself impose on an assignee any obligation of the lender with respect to events occurring before the assignment;

6. "Deferred deposit loan" means a transaction whereby a lender makes a cash advance to a debtor not as part of a revolving loan account as defined in Section 3-108 of Title 14A of the Oklahoma Statutes and, for a finance charge or other consideration, does the following:

- a. accepts a dated instrument from the debtor,
- b. agrees to hold the instrument for a period of time prior to negotiation, deposit or presentation of the instrument for payment, and
- c. advances to the debtor, credits to the debtor's account, or pays to another person on the debtor's behalf, the amount of the instrument, less the finance charge permitted by this act;

7. "Finance charge" means the finance charge as defined in Regulation Z;

8. "Instrument" means a personal check, negotiable order of withdrawal, or authorization to transfer or withdraw funds from a deposit account of the debtor signed by the debtor and made payable to a deferred deposit lender in a deferred deposit loan subject to this act;

9. "Licensed location" means the place of business where a lender is allowed to make deferred deposit loans under a license issued pursuant to this act;

10. "Licensee" means a person licensed to make deferred deposit loans pursuant to this act;

11. "Loan amount" means the principal which the debtor actually receives after signing an instrument payable initially to a deferred deposit lender;

12. "Person" includes a natural person, an individual, organization, partnership, corporation, joint venture, trust, association or any other legal entity, however organized;

13. "Principal of a deferred deposit loan" means the total of the net amount paid to, receivable by or paid or payable for the account of the debtor;

14. "Regulation Z" means Title 160, Chapter 45 of the Oklahoma Administrative Code, adopted in conformity with the Consumer Credit Protection Act, Public Law 90-321, 82 Stat. 146, as amended, including the amendments to the Federal Consumer Credit Protection Act in the Truth in Lending Simplification and Reform Act, Public Law 96-221, 94 Stat. 168-185; and

15. "Renewal" means a transaction in which a debtor pays in cash the finance charge payable under a deferred deposit loan and refinances all or part of the unpaid balance of the principal of the deferred deposit loan with a new deferred deposit loan. A transaction is also considered a renewal if a debtor pays off an existing deferred deposit loan with the proceeds of a deferred deposit loan from another lender.

SECTION 2. This act shall become effective November 1, 2004.

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