

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 578

By: Easley

AS INTRODUCED

An Act relating to deferred deposit loans; amending Section 11, Chapter 240, O.S.L. 2003 (59 O.S. Supp. 2004, Section 3111), which relates to the Deferred Deposit Lending Act; modifying requirements for advertising loans; establishing new disclosure requirements; and providing an effective date.

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

SECTION 1. AMENDATORY Section 11, Chapter 240, O.S.L. 2003 (59 O.S. Supp. 2004, Section 3111), is amended to read as follows:

Section 3111. A. No lender shall engage in this state in false or misleading advertising concerning the terms or conditions of credit with respect to a deferred deposit loan.

B. ~~Advertising which complies with Regulation Z does not violate subsection A of this section.~~ Any advertising materials used to promote deferred deposit loans shall include:

1. A statement of the fees and charges, expressed as an annual percentage rate, payable using as an example a three-hundred-dollar loan payable in fourteen (14) days; and

2. The following disclosure statements:

- a. "A deferred deposit loan is not intended to meet long-term financial needs. This loan should be used only to meet short-term cash needs.", and
- b. "You have the right to rescind this deferred deposit loan no later than 5 p.m. of the next business day following this loan transaction."; and

3. In any print media advertisement, including any web page, used to promote deferred deposit loans, the disclosure statements shall be clear and conspicuous. If a single advertisement consists of multiple pages, folds, or faces, the disclosure requirement applies only to one page, fold, or face. If a television advertisement is used to promote deferred deposit loans, the visual disclosure legend shall include 20 scan lines in size. If a radio advertisement or advertisement communicated by telephone is used to promote deferred deposit loans, the disclosure statement shall last at least five seconds and the statement shall be spoken so that its contents may be easily understood.

SECTION 2. This act shall become effective November 1, 2005.

50-1-988

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