

## BILL SUMMARY

MEASURE: HB2831 (Introduced)

AUTHOR: Representative Peters

SUBJECT: Department of Consumer Credit; authorizing establishment of fees and civil penalties by rule; codification; effective date; emergency.

PROVISIONS: The introduced version of HB2831 expands the authority of the Commission on Consumer Credit by repealing current fees for licenses, exams and penalties set in statute and allows the Commission to establish such fees through administrative rule. The measure also creates the Consumer Credit Advisory Committee, to be appointed by the Commission representing regulatory aspects of the Department. The measure authorizes the Committee to review fees and make recommendations regarding fees. The Committee shall meet at least once a year, shall be subject to the Oklahoma Open Meeting Act, and its members be reimbursed for travel costs.

The measure authorizes the Commission on Consumer Credit to establish through administrative rule all exam and license fees and civil penalties authorized by the Uniform Consumer Credit Code, instructing division for deposit of fees to occur as follows:

- Up to \$150 of a supervised lender license fee in the General Revenue Fund;
- Excess of \$150 of a supervised lender license fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$300 of examination fee in the General Revenue Fund;
- Excess of \$300 of examination fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$225 of investigation fees in the General Revenue Fund;
- Excess of \$225 of investigation fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$20 for notification filings in the General Revenue Fund;
- Excess of \$20 in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$25 for other license fees in the General Revenue Fund;
- Excess of \$25 for other license fees in the Consumer Credit Administrative Expenses Revolving Fund; and
- All civil penalties created for violations of the Code in the Consumer Credit Administrative Expenses Revolving Fund.

The measure also establishes a civil penalty, not to exceed \$5,000, for violations resulting in excessive or illegal charges for lending transactions; applies the new penalty and revocation of licenses section to any person making consumer credit sales, leases or loans; and authorizes the Commission on Consumer Credit to establish civil penalties by rule for violations of Title 14A (the Consumer Credit Code).

HB2831 repeals current fees outlined in statute and authorizes the Department of Consumer Credit to establish amounts for the following fees:

- Supervised lender investigation fee and annual license fee, currently \$225 and \$190 respectively, with \$150 of license fee deposited in the General Revenue Fund and \$40 deposited in the Consumer Credit Administrative Expenses Revolving Fund;
- Supervised lender duplicate or amended license, currently \$25;
- Supervised lender examination fee, currently \$300 to \$650 depending on length of exam, authorizes Administrator to require payment of examination fee at any time;
- Late fee for lender report, currently \$25;
- Returned check fee, currently \$25;
- Department notification fee from persons engaging in consumer credit sales, leases or loans, and debt collectors arising from the sales, leases or loans, currently \$20, and authorizes a late fee;
- Fee from sellers, lessor or lender for each \$100,000 in excess of \$100,000 of unpaid balances arising from such sales, currently \$10 per \$100K and deposited in the General Revenue Fund;
- Fee from assignees for each \$100,000 of unpaid balances arising from consumer credit sales, leases or loans, currently \$10 per \$100,000 and deposited in the General Revenue;
- Credit services organization license annual license and initial investigation fee, currently \$100 each;
- Creates authority for Commission to establish fees for credit services organization license change, duplicate license, returned checks, and late renewal;
- Creates civil penalty, not to exceed \$5,000, to be imposed in addition to a credit services organization license suspension, revocation or denial of renewal for excessive or illegal charges or a cease and desist order;
- Authorizes the Commission to establish civil penalties by rule for violations of the Credit Services Organizations Act;
- Credit services organization examination fee, currently \$200, authorizes Administrator to require payment of examination fee at any time;
- Annual pawnbroker license and investigation fee, currently \$140 and \$125 respectively, with \$100 of the license fee deposited in the General Revenue Fund and \$40 deposited in the Consumer Credit Administrative Expenses Revolving Fund;
- Creates civil penalty, not to exceed \$5,000, to be imposed in addition to a pawnbroker license suspension, revocation or denial of renewal for excessive or illegal charges or a cease and desist order;
- Creates authority for Commission to establish fees for pawnbroker license change, duplicate license, returned checks, and late renewal;
- Authorizes the Commission to establish civil penalties by rule for violations of the Oklahoma Pawnshop Act;
- Pawnbroker examination fee, currently \$200, authorizes Administrator to require payment of examination fee at any time;
- Annual precious metal and gem dealer license and investigation fee, currently \$200 and \$250 respectively, with \$50 of the license fee deposited in the General Revenue Fund and \$150 deposited in the Consumer Credit Administrative Expenses Revolving Fund;
- Employee of licensed dealer annual fee, currently \$100, with \$25 of the employee fee deposited in the General Revenue Fund and \$75 deposited in the Consumer Credit Administrative Expenses Revolving Fund;

- Late precious metal and gem dealer license renewal fee, currently \$50;
- Creates civil penalty, not to exceed \$5,000, to be imposed in addition to a dealer license suspension, revocation or denial of renewal for any violations or a cease and desist order;
- Creates authority for Commission to establish fees for precious metal and gem dealer license change, duplicate license, and returned checks;
- Authorizes the Commission to establish civil penalties by rule for violations of the Precious Metal and Gem Dealer Licensing Act;
- Rental-purchase lessor initial investigation and annual license fee, currently \$100;
- Creates authority for Commission to establish fees on rental-purchase lessors for a lessor address or license change, duplicate license, and returned checks;
- Creates rental-purchase agreement review fee;
- Lessor examination fee, currently \$200, authorizes Administrator to require payment of examination fee at any time;
- Authorizes Administrator or independent hearing examiner to decline renewal, suspend or revoke a lessor's license for violations of the Oklahoma Rental-Purchase Act and creates civil penalty, not to exceed \$5,000, to be imposed in addition to a lessor's license suspension, revocation or denial of renewal for any violation of excessive or illegal charge or a cease and desist order;
- Authorizes the Commission to establish civil penalties by rule for violations of the Oklahoma Rental-Purchase Act;
- Health spa annual registration fee, currently \$200;
- Creates a health spa investigation fee;
- Creates authority for Commission to establish fees on health spa registrations for a registration change, duplicate registration, returned checks, late registration renewal, and contract renewals;
- Authorizes Administrator or independent hearing examiner to decline renewal, suspend or revoke a health spa registration for violations of the Oklahoma Health Spa Act and creates civil penalty, not to exceed \$5,000, to be imposed in addition to a health spa's registration suspension, revocation or denial of renewal for any violation of excessive or illegal charge or a cease and desist order;
- Authorizes the Commission to establish civil penalties by rule for violations of the Oklahoma Health Spa Act;
- Authorizes all fees and civil penalties collected pursuant to the Oklahoma Health Spa Act to be deposited in the Health Spa Revolving Fund;
- Mortgage broker or loan originator annual license fee, currently \$100;
- Mortgage broker or loan originator late renewal fee, currently \$200;
- Mortgage broker or loan branch office fee, currently \$50;
- Mortgage broker or loan originator inactive status fee; currently \$50;
- Fees for mortgage broker or loan originator license change, duplicate license, and returned checks, currently \$25;
- Applicant and license fee for Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund, currently \$50;
- Mortgage broker or loan originator examination fee and late fee, currently \$300 for each location plus \$50 per hour per examiner required and a \$50 late fee;
- Creates the mortgage broker or loan originator application fee;

- Civil penalties not to exceed \$5,000 for any and all violations against a mortgage broker or loan originator licensee, currently \$100 to \$2,500 for a single violation;
- Authorizes the Commission to establish civil penalties by rule for specific violations of the Oklahoma Secure and Fair Enforcement Mortgage Licensing Act;
- Deferred deposit lender annual license and initial investigation fee, currently \$250 for each location and \$500 respectively;
- Creates authority for Commission to establish fees on deferred deposit lenders for a license change, duplicate license, returned checks, and late renewal;
- Civil penalties not to exceed \$5,000 for violations resulting from a single transaction, currently up to \$1,000 per violation; and
- Authorizes the Commission to establish civil penalties by rule for specific violations of the Deferred Deposit Lending Act.

The measure authorizes the Commission on Consumer Credit to establish through administrative rule all exam and license fees and civil penalties authorized by the Credit Services Organization Act, instructing division for deposit of fees to occur as follows:

- Up to \$100 of a credit services organization annual license fee in the General Revenue Fund;
- Excess of \$100 of a credit services organization annual license fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$200 of examination fee in the General Revenue Fund;
- Excess of \$200 of examination fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$25 for other credit service organization license fees in the General Revenue Fund;
- Excess of \$25 for other license fees in the Consumer Credit Administrative Expenses Revolving Fund; and
- All civil penalties created for violations of the act in the Consumer Credit Administrative Expenses Revolving Fund.

The measure authorizes the Commission on Consumer Credit to establish through administrative rule all exam and license fees and civil penalties authorized by the Oklahoma Pawnshop Act, instructing division for deposit of fees to occur as follows:

- Up to \$100 of a pawnbroker annual license fee in the General Revenue Fund;
- Excess of \$100 of a pawnbroker annual license fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$200 of examination fee in the General Revenue Fund;
- Excess of \$200 of examination fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$25 for other pawnbroker license fees in the General Revenue Fund;
- Excess of \$25 for other pawnbroker license fees in the Consumer Credit Administrative Expenses Revolving Fund; and
- All civil penalties created for violations of the act in the Consumer Credit Administrative Expenses Revolving Fund.

The measure authorizes the Commission on Consumer Credit to establish through administrative rule all exam and license fees and civil penalties authorized by the Precious Metal and Gem Dealer Licensing Act, instructing division for deposit of fees to occur as follows:

- Up to \$50 of a dealer annual license fee in the General Revenue Fund;
- Excess of \$50 of a dealer annual license fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$25 of an employee annual license fee in the General Revenue Fund;
- Excess of \$25 of an employee annual license fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$50 of investigation fee in the General Revenue Fund;
- Excess of \$50 of investigation fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$25 for other dealer license fees in the General Revenue Fund;
- Excess of \$25 for other dealer license fees in the Consumer Credit Administrative Expenses Revolving Fund; and
- All civil penalties created for violations of the act in the Consumer Credit Administrative Expenses Revolving Fund.

The measure authorizes the Commission on Consumer Credit to establish through administrative rule all exam and license fees and civil penalties authorized by the Oklahoma Rental-Purchase Act, instructing division for deposit of fees to occur as follows:

- Up to \$100 of a lessor annual license fee in the General Revenue Fund;
- Excess of \$100 of a lessor annual license fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$200 of examination fee in the General Revenue Fund;
- Excess of \$200 of examination fee in the Consumer Credit Administrative Expenses Revolving Fund;
- Up to \$25 for other lessor license fees in the General Revenue Fund;
- Excess of \$25 for other lessor license fees in the Consumer Credit Administrative Expenses Revolving Fund; and
- All civil penalties created for violations of the act in the Consumer Credit Administrative Expenses Revolving Fund.

The measure modifies references to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, enacted in 2009 and allows mortgage broker or mortgage loan originators to deposit monies in trust accounts at federally insured institutions that are located outside the state.

EFFECTIVE

DATE: July 1, 2010, Emergency

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DATE: February 15, 2010