

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1168

By: Aldridge

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5  
6 AS INTRODUCED

7 An Act relating to credit agreements; amending 15  
8 O.S. 2011, Section 140.1, which relates to debt  
9 cancellation agreements; requiring a debt  
10 cancellation agreement to remain a part of the loan  
11 or retail installment contract upon the transfer of  
12 the contract; and providing an effective date.

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

14 SECTION 1. AMENDATORY 15 O.S. 2011, Section 140.1, is  
15 amended to read as follows:

16 Section 140.1. A. A "debt cancellation agreement" means a loan  
17 term or contractual arrangement modifying loan or retail installment  
18 contract terms under which a lender or other creditor agrees to  
19 cancel all or part of an obligation of the borrower to repay an  
20 extension of credit from the lender or other creditor upon the  
21 occurrence of a specified event. The agreement may be separate from  
22 or a part of other loan or retail installment contract documents.  
23 The debt cancellation agreement shall remain a part of the loan or  
24 retail installment contract upon the assignment, transfer, or sale  
of the loan or retail installment contract.

1 B. A debt cancellation agreement shall not be considered a  
2 contract of, or for, insurance if it is not a contract whereby one  
3 undertakes to indemnify another or to pay a specified amount upon  
4 determinable contingencies, but merely cancels amounts owed by a  
5 borrower under a loan, retail installment contract or other credit  
6 agreement.

7 SECTION 2. This act shall become effective November 1, 2012.

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