SENATE FLOOR VERSION
February 12, 2015

SENATE BILL NO. 382 By: Newberry

An Act relating to supervised lenders; amending 14A O.S. 2011, Section 3-508A, as amended by Section 2, Chapter 297, O.S.L. 2014 (14A O.S. Supp. 2014, Section 3-508A), which relates to loan finance charges; deleting maximum term of loan; and providing an effective date.

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

SECTION 1. AMENDATORY 14A O.S. 2011, Section 3-508A, as amended by Section 2, Chapter 297, O.S.L. 2014 (14A O.S. Supp. 2014, Section 3-508A), is amended to read as follows:

Section 3-508A. (1) With respect to a supervised loan, including a loan pursuant to a revolving loan account, a supervised lender may contract for and receive a loan finance charge not exceeding that permitted by this section.

(2) The loan finance charge, calculated according to the actuarial method, may not exceed the equivalent of the greater of either of the following:

(a) the total of:

(i) twenty-seven percent (27%) per year on that part of the unpaid balances of the principal which is

Two Thousand Nine Hundred Ten Dollars ($2,910.00) or less;

(ii) twenty-three percent (23%) per year on that part of the unpaid balances of the principal which is more than Two Thousand Nine Hundred Ten Dollars ($2,910.00) but does not exceed Six Thousand Two Hundred Dollars ($6,200.00); and

(iii) twenty percent (20%) per year on that part of the unpaid balances of the principal which is more than Six Thousand Two Hundred Dollars ($6,200.00); or

(b) twenty-five percent (25%) per year on the unpaid balances of the principal.

(3) This section does not limit or restrict the manner of contracting for the loan finance charge, whether by way of add-on, discount, or otherwise, so long as the rate of the loan finance charge does not exceed that permitted by this section. If the loan is precomputed:

(a) the loan finance charge may be calculated on the assumption that all scheduled payments will be made when due; and

(b) the effect of prepayment is governed by the provisions on rebate upon prepayment (Section 3-210).

(4) The term of a loan, for the purpose of this section, commences on the date the loan is made. Differences in the lengths of months are disregarded and a day may be counted as one-thirtieth (1/30) of a month. Subject to classifications and differentiations the lender may reasonably establish, a part of a month in excess of fifteen (15) days may be treated as a full month if periods of fifteen (15) days or less are disregarded and if that procedure is not consistently used to obtain a greater yield than would otherwise be permitted. ~~A loan made under this section shall not be repayable in fewer than twelve (12) months.~~

(5) Subject to classifications and differentiations the lender may reasonably establish, he may make the same loan finance charge on all principal amounts within a specified range. A loan finance charge so made does not violate subsection (2) of this section if:

(a) when applied to the median amount within each range, it does not exceed the maximum permitted in subsection (2) of this section; and

(b) when applied to the lowest amount within each range, it does not produce a rate of loan finance charge exceeding the rate calculated according to paragraph (a) of this subsection by more than eight percent (8%) of the rate calculated according to paragraph (a) of this subsection.

SECTION 2. This act shall become effective November 1, 2015.

COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
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