

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1074

By: Matthews

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6 AS INTRODUCED

7 An Act relating to the Deferred Deposit Lending Act;
8 setting maximum interest rate for loans; stating
9 amount for certain charge for loan; prohibiting other
10 charges; amending 59 O.S. 2011, Section 3108, which
relates to deferred deposit loan fees; modifying
language; deleting certain fee amounts; providing for
codification; and providing an effective date.

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

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 3108.1 of Title 59, unless there
16 is created a duplication in numbering, reads as follows:

17 A. Notwithstanding any other provisions of law or Regulation Z
18 as defined in the Deferred Deposit Lending Act, beginning on the
19 effective date of this act, no deferred deposit lender shall loan a
20 consumer any amount on a deferred deposit loan that has an interest
21 rate exceeding thirty-six percent (36%) per annum.

22 B. 1. Notwithstanding any other provisions of law or
23 Regulation Z as defined in the Deferred Deposit Lending Act,
24 beginning on the effective date of this act, a deferred deposit

1 lender may charge a one-time finance charge for a new deferred
2 deposit loan in an amount not exceeding Ten Dollars (\$10.00) for
3 each One Hundred Dollars (\$100.00) of the deferred deposit loan
4 amount or Thirty Dollars (\$30.00), whichever is less.

5 2. No finance charge or other fee, charge or assessment shall
6 be charged by the deferred deposit lender on any deferred deposit
7 loan renewal, if such renewal is allowed by law.

8 C. Notwithstanding any other provisions of law or Regulation Z
9 as defined in the Deferred Deposit Lending Act, beginning on the
10 effective date of this act, no deferred deposit lender shall charge
11 or assess any fee or interest on the deferred deposit loan amount,
12 except as authorized by subsections A or B of this section or
13 Section 3108 of Title 59 of the Oklahoma Statutes.

14 SECTION 2. AMENDATORY 59 O.S. 2011, Section 3108, is
15 amended to read as follows:

16 Section 3108. A. ~~Regardless of any other law governing the~~
17 ~~imposition of interest, fees, loan finance charges or the extension~~
18 ~~of credit, a deferred deposit lender may charge a finance charge for~~
19 ~~each deferred deposit loan that does not exceed Fifteen Dollars~~
20 ~~(\$15.00) for every One Hundred Dollars (\$100.00) advanced up to the~~
21 ~~first Three Hundred Dollars (\$300.00) of the amount advanced; for~~
22 ~~the advance amounts in excess of Three Hundred Dollars (\$300.00),~~
23 ~~the lender may charge an additional finance charge of Ten Dollars~~
24 ~~(\$10.00) for every One Hundred Dollars (\$100.00) advanced in excess~~

1 ~~of Three Hundred Dollars (\$300.00).~~ The credit terms of the
2 deferred deposit loan shall be disclosed in accordance with
3 Regulation Z, including the terms "finance charge" and "annual
4 percentage rate". The finance charge ~~under this subsection~~ shall be
5 deemed fully earned as of the date of the transaction. Except for a
6 fee for a dishonored instrument and the actual database verification
7 fee pursuant to subparagraph b of paragraph 2 of subsection B of
8 Section 3109 of this title, the lender may charge only those charges
9 expressly authorized in Section 1 of this act and this subsection in
10 connection with a deferred deposit loan.

11 B. If an instrument held by a lender as a result of a deferred
12 deposit loan is returned to the lender from a payor financial
13 institution due to insufficient funds, a closed account or a stop
14 payment order, the lender shall have the right to exercise all civil
15 means authorized by law to collect the amount of the instrument. In
16 addition, the lender may contract for and collect a dishonored
17 instrument charge, not to exceed Twenty-five Dollars (\$25.00);
18 however, a dishonored instrument charge shall not be allowed if the
19 instrument is dishonored by a financial institution, or the debtor
20 places a stop payment order, due to forgery or theft of the
21 instrument.

22 SECTION 3. This act shall become effective November 1, 2016.
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