

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1467

By: Pittman

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6 AS INTRODUCED

7 An Act relating to consumer credit; requiring written  
8 disclosure of certain reserve or yield premium spread  
9 on motor vehicle loan transactions; stating maximum  
10 reserve or yield premium spread; making amounts added  
above stated maximum reserve or yield premium spread  
unlawful; defining term; 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 2-113 of Title 14A, unless there  
16 is created a duplication in numbering, reads as follows:

17 The seller in a consumer credit sale of a motor vehicle must  
18 disclose in writing together with the loan transaction terms whether  
19 there is any reserve or yield premium spread being added to the  
20 interest percentage rate that the buyer is actually qualified to  
21 receive from the lender. The disclosure statement must state the  
22 amount of the dealer reserve or yield premium spread in actual  
23 percentage points being added to the interest percentage rate that  
24 the buyer is actually qualified to receive from the lender before

1 the addition of the dealer reserve or yield premium spread. A  
2 licensed motor vehicle dealer in this state may receive a dealer  
3 reserve or yield premium spread on any new or used motor vehicle the  
4 dealer sells not to exceed a maximum of three percentage points more  
5 than the interest percentage rate quoted from the lender that the  
6 buyer is actually qualified to receive based upon the buyer's loan  
7 amount, terms and credit rate. Any amount of reserve or yield  
8 premium spread that is greater than three percentage points shall be  
9 unlawful and an unfair practice in violation of the Consumer Credit  
10 Code. For purposes of this section, the terms "reserve", "dealer  
11 reserve" and "yield premium spread" mean a commission, premium  
12 payment or kickback paid to the seller of a new or used motor  
13 vehicle for generating a new loan agreement between a qualified  
14 buyer and a third party lender or the motor vehicle manufacturer who  
15 finances its vehicles.

16 SECTION 2. This act shall become effective November 1, 2016.

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