ENGROSSED SENATE
BILL NO. 1151 By: Leewright of the Senate

and

Hilbert of the House

An Act relating to consumer loans; authorizing convenience fees to be charged for certain electronic payments; setting maximum amount of fee; requiring customer notification of fee; providing right to cancel transaction; providing options for payments without convenience fee charges; making certain fee nonrefundable; defining term; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-508C of Title 14A, unless there is created a duplication in numbering, reads as follows:

A. In addition to the loan finance charges permitted by Sections 3-508A and 3-508B of Title 14A of the Oklahoma Statutes, a lender may contract for and receive a convenience fee from any borrower making his or her payment by debit card, electronic funds transfer, electronic check or other electronic means in order to offset the costs incurred by a lender for accepting and processing payments by electronic means.

B. Any convenience fee imposed and collected by a lender pursuant to this section shall not exceed the actual cost or four percent (4%) of the electronic payment transaction, whichever is less.

C. Any lender charging a convenience fee pursuant to this section shall notify the customer of the amount of the fee prior to completing an electronic payment transaction, and shall provide the customer an opportunity to cancel the transaction without incurring a fee. A lender shall make available the option to make payments on a loan by check, cash or money order directly to the lender without the imposition of a convenience fee or by various types of electronic payment transactions with any convenience fee fully disclosed either in the loan contract or at the time of the transaction.

D. When a borrower elects to make a payment to the lender by debit card, electronic funds transfer, electronic check or other electronic means and a convenience fee is imposed and collected pursuant to this section, the payment of the convenience fee shall not be refundable.

E. For purposes of this section, "actual costs" means actual third-party costs incurred for the processing of payments made by electronic means. If the lender is a subsidiary of an entity that processes payments made by electronic means, the parent entity shall be considered a third party.

SECTION 2. This act shall become effective November 1, 2018.

Passed the Senate the 14th day of March, 2018.

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Presiding Officer of the Senate

Passed the House of Representatives the ____ day of __________, 2018.

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Presiding Officer of the House of Representatives