

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

SENATE BILL 112

By: Newberry

AS INTRODUCED

An Act relating to consumer credit; creating the Oklahoma Installment Credit Act; providing short title; defining terms; requiring certain license; requiring service agent; stating requirements for licensure; directing periodic review for compliance; providing for rulemaking; stating content of certain application; setting certain fees; requiring financial statement and certain bond; allowing letter of credit in lieu of bond; stating purpose of bond; authorizing suit against bond for nonpayment; designating Oklahoma County for venue of certain actions; requiring criminal history records check with fingerprints; providing for refusal to conduct criminal history records check; designating Oklahoma State Bureau of Investigation or Federal Bureau of Investigation to conduct certain criminal records checks; making applicant pay cost of records checks; authorizing certain investigation; requiring posting of license; setting duration of license; providing for written denial of license; setting time to deny a license; providing for hearing on denial of license; providing for license renewals; allowing a supervision fee; providing for continuation of operation pending renewal; allowing a biennial license; making license nontransferable; providing for change of control of a business; providing for violations; requiring notification of change of address or name; authorizing certain charges, fees and interest; setting maximum principal loan amount; allowing certain adjustment to maximum loan amount upon certain conditions; requiring books be kept for certain period; prohibiting unfair practices; requiring compliance with federal laws; prohibiting certain conditions in loan plan; making certain conditions void and unenforceable; making provisions

1 of act exclusive; authorizing promulgation of rules;  
2 directing mailing of rules; providing for examination  
3 of certain records for certain purpose; requiring  
4 payment for certain examinations; providing exemption  
5 for examination costs under supervision fee;  
6 providing for suspension and revocation of license  
7 under certain conditions; stating conditions;  
8 allowing all licenses of a violator to be suspended  
9 or revoked; setting time for notice and hearing;  
10 establishing penalties for violations; allowing civil  
11 penalty of certain amounts; allowing a person to be  
12 barred for certain time; authorizing certain consent  
13 orders; authorizing criminal actions; providing for  
14 complaints; requiring written reports on certain  
15 occurrences; directing filing of annual reports by  
16 licensees; providing for confidentiality of certain  
17 information; directing annual report be submitted to  
18 Governor and Legislature; providing for participation  
19 in multi-state automated licensing; granting certain  
20 powers and authority; construing authority under  
21 multi-state licensing system; directing costs of  
22 multi-state licensing system be paid by applicant and  
23 licensees; providing for sharing and confidentiality  
24 of certain information; providing certain provision  
to supersede other provisions; construing certain  
confidentiality; prohibiting certain governmental  
units from regulating installment plan loans;  
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 10-100 of Title 14A, unless  
there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma  
Installment Credit Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 10-100.1 of Title 14A, unless there is created a duplication in numbering, reads as follows:

As used in this act, unless the context requires otherwise:

1. "Administrator" means the Administrator of the Department of Consumer Credit or the Administrator's designee;

2. "Control" means possession, direct or indirect, of the power to direct or cause the direction of management and policies of a person, whether through ownership of voting securities by contract or otherwise, if no individual shall be deemed to control a person solely on account of being a director, officer, or employee of the person. For purposes of this paragraph, a person who, directly or indirectly, owns, controls, holds the power to vote, or holds proxies representing twenty-five percent (25%) or more of the current outstanding voting securities issued by another person is presumed to control the other person, and the Administrator may determine whether a person, in fact, controls another person;

3. "Controlling person" means any person in control of a licensee;

4. "Department" means the Department of Consumer Credit;

5. "Installment loan" means a loan made pursuant to a written agreement subject to this subtitle between a licensee and customer establishing a credit plan under which the licensee contemplates credit transactions from time to time that:

- a. may be unsecured or secured by personal property,
- b. shall not have a term longer than twelve (12) months,
- c. Shall be fully amortized and payable in substantially equal monthly payments, and
- d. are subject to prepayment in whole or in part at any time without penalty;

6. "Licensee" means a person licensed to offer installment loans pursuant to the subtitle;

7. "Person" means an individual, group of individuals, partnership, association, corporation, or any other business, unit, or legal entity; and

8. "Default" means:

- a. the failure of a customer to make a required payment within a certain number of days of the due date as agreed upon by the licensee and the customer in the installment loan, provided that such a period may not exceed sixty-one (61) days after the due date, or
- b. the customer's failure to otherwise perform the obligations under the installment loan.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 10-100.2 of Title 14A, unless there is created a duplication in numbering, reads as follows:

A. No person shall engage in the business of making installment loans unless the person is licensed to make installment loans

1 pursuant to this act. A person shall be deemed to be engaged in the  
2 business of making installment loans in this state if the person  
3 induces a consumer, while located in this state, to enter into an  
4 installment loan in this state through the use of facsimile,  
5 telephone, Internet, or other means. A separate license shall be  
6 required for each location from which the business of making  
7 installment loans is conducted.

8 B. Any nonresident person seeking licensure under this act  
9 shall furnish the Administrator of the Department of Consumer Credit  
10 with the name and address of a resident of this state upon whom  
11 notices or orders issued by the Administrator, or process affecting  
12 a licensee under this act, may be served. A nonresident licensee  
13 shall promptly notify the Administrator in writing of any change in  
14 its designated agent for service of process, and the change shall  
15 not become effective until approved by the Administrator.

16 SECTION 4. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 10-100.3 of Title 14A, unless  
18 there is created a duplication in numbering, reads as follows:

19 A. An applicant for a license to make installment loans shall  
20 meet the following requirements:

21 1. A tangible net worth that comprises tangible assets, less  
22 liabilities, of not less than Fifty Thousand Dollars (\$50,000.00)  
23 for each location; and  
24

1        2. The financial responsibility, financial condition, business  
2 experience, character, and general fitness of the applicant shall  
3 reasonably warrant the belief that the applicant's business shall be  
4 conducted lawfully, honestly, carefully, and efficiently. In  
5 determining whether these qualifications have been met, and for the  
6 purpose of investigating compliance with this subtitle, the  
7 Administrator may review and approve:

- 8            a. the relevant business records and the capital adequacy of  
9            the applicant,
- 10           b. the competence, experience, integrity, and financial  
11           ability of any person who is a director, a shareholder  
12           with ten percent (10%) or more shares of the applicant,  
13           or a person who owns or controls the applicant, and
- 14           c. any record of the applicant or any person referred to in  
15           this act for any criminal activity, any fraud or other  
16           act of personal dishonesty, any act, omission, or  
17           practice that constitutes a breach of a fiduciary duty,  
18           or any suspension, revocation, or removal by any agency  
19           or department of the United States or any state, from  
20           participation in the conduct of any business.

21        B. The Administrator shall periodically review the licensee's  
22 compliance with subsection A of this section.

1       SECTION 5.       NEW LAW       A new section of law to be codified  
2 in the Oklahoma Statutes as Section 10-100.4 of Title 14A, unless  
3 there is created a duplication in numbering, reads as follows:

4       Each application for a license shall be in a form established by  
5 the Administrator of the Department of Consumer Credit by  
6 promulgation of an administrative rule, including the following:

7       1. The legal name, residence and business address of the  
8 applicant, and if the applicant is a partnership, association, or  
9 corporation, the legal name, residence and business address of every  
10 member, officer, managing employee and director of the applicant;

11       2. Every person licensed under this act shall maintain an agent  
12 in this state for service of process. The name, address, telephone  
13 number, and electronic mail address of the agent shall be filed with  
14 the application. The Administrator shall be notified in writing by  
15 the licensee at least five (5) days prior to any change in the  
16 status of an agent; and

17       3. Other data and information the Administrator may require  
18 about the applicant, its directors, trustees, officers, members,  
19 managing employees, or agents.

20       SECTION 6.       NEW LAW       A new section of law to be codified  
21 in the Oklahoma Statutes as Section 10-100.5 of Title 14A, unless  
22 there is created a duplication in numbering, reads as follows:

23       A. Each application for a license required by this act shall be  
24 accompanied by:

1        1. A filing fee of Seven Hundred Fifteen Dollars (\$715.00) and  
2 a supervision fee of Five Hundred Dollars (\$500.00) which shall not  
3 be subject to refund unless the license is granted and the filing  
4 fee shall constitute the license fee for the first license year or  
5 part thereof. The filing fee or supervision fee shall be applicable  
6 to each location;

7        2. An audited financial statement including but not limited to  
8 a balance sheet, a statement of income or loss, and a statement of  
9 changes in financial position for the immediately preceding fiscal  
10 year, prepared in accordance with generally accepted accounting  
11 principles by a certified public accountant or public accounting  
12 firm, neither of which is affiliated with the applicant. For a  
13 newly created entity, the Administrator may accept only a balance  
14 sheet prepared by a certified public accountant or public accounting  
15 firm, neither of which is affiliated with the applicant, accompanied  
16 by a projected income statement demonstrating that the applicant  
17 will have adequate capital after payment of start-up costs. If the  
18 applicant does not have an audited financial statement meeting the  
19 above requirements, it may submit a financial statement of its  
20 parent company if the financial statement is audited in accordance  
21 with generally accepted accounting principles by a certified public  
22 accountant or public account firm, neither of which is affiliated  
23 with the applicant; and  
24



1        3. A surety bond, issued by an insurer regulated by the State  
2 Insurance Commissioner of this state and not affiliated with the  
3 applicant, in the amount of Twenty-five Thousand Dollars  
4 (\$25,000.00) for each location. However, the aggregate amount of  
5 the surety bond required for a single licensee shall not exceed Two  
6 Hundred Thousand Dollars (\$200,000.00). In lieu of the surety bond,  
7 the applicant shall file an irrevocable letter of credit, in the  
8 amount of the surety bond, issued by any federally insured bank,  
9 savings bank, or credit union, none of which is affiliated with the  
10 applicant. The surety bond or irrevocable letter of credit shall be  
11 in a form satisfactory to the Administrator and shall be payable to  
12 the Department of Consumer Credit for the benefit of any person who  
13 is injured pursuant to an installment loan by the fraud,  
14 misrepresentation, breach of contract, financial failure, or  
15 violation of any provision of this act by a licensee. In the case  
16 of a surety bond, the aggregate liability of the surety bond shall  
17 not exceed the principal sum of the surety bond. In the case of an  
18 irrevocable letter of credit, applicants shall obtain letters of  
19 credit for terms of not less than three (3) years and renew the  
20 letters of credit annually. If the licensee fails to pay a person  
21 or the Administrator, as required by this act, then a person may  
22 bring suit against the licensee directly on the surety bond or  
23 irrevocable letter of credit in any court of competent jurisdiction,  
24 or the Administrator may bring suit in the District Court of

1 Oklahoma County, which shall have exclusive venue in all matters  
2 relating to this section on behalf of those persons, in either one  
3 (1) or successive actions. The surety bond or irrevocable letter of  
4 credit shall be maintained by the licensee for not less than three  
5 (3) years following the expiration, revocation, or surrender of the  
6 licensee's license.

7 B. 1. The Administrator is authorized to require an applicant  
8 for a license to consent to a criminal history records check and to  
9 provide fingerprints with the application in a form acceptable to  
10 the Administrator. The Administrator may require such consent and  
11 fingerprints from any individual who is a director, officer, or ten  
12 percent (10%) or more shareholder of the applicant or who owns or  
13 controls the applicant, as well as from any other individual  
14 associated with the applicant as is reasonably necessary to meet the  
15 purposes of this act. Refusal of any person to consent to a  
16 criminal history records check or to provide fingerprints pursuant  
17 to this subsection constitutes grounds for the Administrator to deny  
18 the applicant a license.

19 2. Any criminal history records check conducted pursuant to  
20 this subsection shall be conducted by the Oklahoma State Bureau of  
21 Investigation, the Federal Bureau of Investigation, or both, and the  
22 results of the criminal history records check shall be forwarded to  
23 the Administrator.  
24

1       SECTION 7.       NEW LAW       A new section of law to be codified  
2 in the Oklahoma Statutes as Section 10-100.6 of Title 14A, unless  
3 there is created a duplication in numbering, reads as follows:

4       A. Upon the filing of an application in a form prescribed by  
5 the Administrator, accompanied by the fee and documents required by  
6 this act, the Administrator shall investigate to ascertain whether  
7 the requirements prescribed by this act have been satisfied. If the  
8 Administrator finds that the requirements have been satisfied, and  
9 approves the documents, the Administrator shall issue to the  
10 applicant a license to engage in the business of making installment  
11 loans in this state.

12       B. The license shall be conspicuously posted in the licensee's  
13 place of business at all times.

14       C. A license issued pursuant to this act shall remain in force  
15 and effect through the remainder of the year ending December 31  
16 after its date of issuance unless earlier surrendered, suspended or  
17 revoked pursuant to this act.

18       SECTION 8.       NEW LAW       A new section of law to be codified  
19 in the Oklahoma Statutes as Section 10-100.7 of Title 14A, unless  
20 there is created a duplication in numbering, reads as follows:

21       A. If the Administrator determines that an applicant is not  
22 qualified to receive a license, the Administrator shall notify the  
23 applicant in writing that the application has been denied, stating  
24 the basis for denial.

1       B. If the Administrator denies an application, or if the  
2 Administrator fails to act on an application within ninety (90) days  
3 after the filing of a properly completed application, the applicant  
4 may make a written demand to the Administrator for a hearing before  
5 the Administrator on the question of whether the license should be  
6 granted.

7       C. Any hearing on the denial of a license shall be conducted  
8 pursuant to the Administrative Procedures Act, provided that the  
9 burden of proof that the applicant is entitled to a license shall be  
10 on the applicant. A decision of the Administrator following any  
11 hearing on the denial of a license is subject to review pursuant to  
12 the provisions of the Administrative Procedures Act.

13       SECTION 9.       NEW LAW       A new section of law to be codified  
14 in the Oklahoma Statutes as Section 10-100.8 of Title 14A, unless  
15 there is created a duplication in numbering, reads as follows:

16       A. Licenses issued pursuant to this act shall expire on  
17 December 31. Each license may be renewed for the ensuing twelve-  
18 month period upon application by the license holder showing  
19 continued compliance with the requirements of this act, and the  
20 payment to the Administrator annually, by December 1 of a license  
21 renewal fee of Two Hundred and Ninety Dollars (\$290.00).

22       B. A licensee making timely and complete application for  
23 renewal of its license shall be permitted to continue to operate  
24

1 under its existing license until its application is approved or  
2 denied.

3 C. The Administrator may establish, by promulgation of an  
4 administrative rule, a license arrangement for the filing of the  
5 application for license renewal, but the license fee or supervision  
6 fee, if established pursuant to authority of the act.

7 SECTION 10. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 10-100.9 of Title 14A, unless  
9 there is created a duplication in numbering, reads as follows:

10 A. A license issued pursuant to this act is not transferable or  
11 assignable.

12 B. 1. The prior written approval of the Administrator is  
13 required for the continued operation of an installment loan business  
14 whenever a change in control of a licensee is proposed. The  
15 Administrator may require information deemed necessary to determine  
16 whether a new application is required. Reasonable and actual costs  
17 incurred by the Administrator in investigating a change of control  
18 request shall be paid by the person requesting approval. If the  
19 person acquiring control of a licensee is already licensed under  
20 this act, the person must notify the Administrator thirty (30) days  
21 prior to the acquisition.

22 2. Whenever control is acquired or exercised in violation of  
23 this section, the license shall be deemed revoked as of the date of  
24 the unlawful acquisition of control. The licensee or its

1 controlling person shall surrender the license to the Administrator  
2 on demand.

3 C. A licensee shall notify the Administrator thirty (30) days  
4 before any change in the licensee's principal place of business,  
5 branch office or name.

6 SECTION 11. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 10-100.10 of Title 14A, unless  
8 there is created a duplication in numbering, reads as follows:

9 A. Notwithstanding any other statutory limitation, a licensee  
10 authorized to make installment loans under this act may charge and  
11 collect, fees in a manner consistent with this section.

12 B. A licensee may charge and collect a periodic interest rate  
13 not to exceed seventeen percent (17%) per month.

14 C. The maximum principal loan amount of an installment loan  
15 shall be One Thousand Five Hundred Dollars (\$1,500.00) and adjusted  
16 every other year by the Administrator of the Department of Consumer  
17 Credit to reflect the percentage changes in the Consumer Price Index  
18 published by the Bureau of Labor Statistics of the Department of  
19 Labor.

20 D. 1. In addition to a maximum loan amount of One Thousand  
21 Five Hundred Dollars (\$1,500.00), a lender is further prohibited  
22 from making an installment loan if the total of scheduled payments  
23 coming due in a month exceeds 20% of the borrower's gross monthly  
24 income.

1        2. For the purposes of determining a borrower's gross monthly  
2 income under this section, a lender shall obtain and maintain third  
3 party verification of all income considered in making the  
4 determination.

5        3. For the purposes of this subsection, "month" means a period  
6 extending from a given date in one (1) calendar month to the same  
7 date in the succeeding calendar month; or if there is no same date  
8 in the succeeding calendar month, the last day of the succeeding  
9 calendar month.

10       E. Any installment loan under this act shall require payment,  
11 in the form of cash, money order, debit card, or prepaid debit card,  
12 or any other instrument for payment of money, whether or not  
13 negotiable, including any authorization for electronic payment of  
14 money, on or before the due date of each billing cycle.

15       F. 1. If a customer defaults under the terms of an installment  
16 loan and the licensee refers the customer's account to an attorney,  
17 for collection, the licensee may:

18           a. if the installment loan so provides, charge and collect  
19           from the customer a reasonable attorney's fee, and

20           b. if the installment loan, or in the case of secured plans,  
21           the security agreement or similar instrument, so  
22           provides, recover from the customer all collection and  
23           court costs, including, in the case of secured plans, all  
24           costs of enforcing the security agreement or similar

1 instrument actually incurred by the licensee, including  
2 those incurred on appeal.

3 3. Disposition of property after default shall occur in a  
4 commercially reasonable manner in accordance with law.

5 G. If a check is returned to a licensee from a payor financial  
6 institution due to insufficient funds, no licensee shall have the  
7 authority to assess a handling charge against the maker or drawer of  
8 the returned check.

9 SECTION 12. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 10-100.11 of Title 14A, unless  
11 there is created a duplication in numbering, reads as follows:

12 A. A licensee shall provide each customer a written  
13 explanation, in clear, understandable language, of the fees and  
14 charges to be charged by the licensee. The style, content and  
15 method of executing the required written explanation shall comply  
16 with federal truth-in-lending laws and shall contain a statement  
17 that the customer may prepay the unpaid balance in whole or in part  
18 at any time without penalty. The Administrator may promulgate  
19 administrative rules establishing additional requirements in order  
20 to assure complete and accurate disclosure of the fees and charges  
21 to be charged by a licensee under an installment loan.

22 B. An installment loan shall include, along with other state or  
23 federal law requirements:  
24



1        1. A next-business-day customer's right of rescission for any  
2 installment loan; and

3        2. A notice informing the customer that complaints may be made  
4 to the Administrator, including the Administrator's telephone number  
5 and address.

6        C. An installment loan may not be refinanced more than one  
7 time. A refinanced installment loan may not be for a loan amount  
8 greater than the original installment loan amount and must have  
9 payments less than the originally scheduled installment loan  
10 payments.

11       D. A customer may not have more than one outstanding  
12 installment loan with any lender as verified by a private database  
13 approved by the administrator.

14       SECTION 13.       NEW LAW       A new section of law to be codified  
15 in the Oklahoma Statutes as Section 10-100.12 of Title 14A, unless  
16 there is created a duplication in numbering, reads as follows:

17       A. Each licensee shall keep and use in its business any books,  
18 accounts and records the Administrator may require to effectuate  
19 this act and the rules promulgated thereto. Every licensee shall  
20 preserve the books, accounts and records for at least four (4)  
21 years. Any licensee, after receiving the prior written approval of  
22 the Administrator, may maintain records at a location within or  
23 outside this state.

1 B. A licensee shall not engage in unfair or deceptive acts,  
2 practices or advertising in the conduct of the licensed business.

3 C. A licensee shall not use any device or agreement, including  
4 agreements with affiliated licensees, with the intent to obtain  
5 greater charges than otherwise would be authorized by this subtitle.

6 D. A licensee shall comply with any state or federal law, rule,  
7 or regulation applicable to any business authorized or conducted  
8 under this act, including, but not limited to, the Truth in Lending  
9 Act, 15 U.S.C. sec 1601 et seq., the Federal Equal Credit  
10 Opportunity Act, 15 U.S.C. secs. 1691-1691f, and the Fair Debt  
11 Collection Practices Act, 15 U.S.C. sec 1692 et seq.

12 E. 1. No installment loan subject to this act shall:

13 a. provide that the law of a jurisdiction other than this  
14 state applies,

15 b. provide that the customer consents to the jurisdiction of  
16 another state or foreign country,

17 c. establish venue, or

18 d. waive any provision of this act.

19 2. Any provision described in this section that is contained in  
20 an installment loan subject to this act shall be void and not  
21 enforceable as a matter of public policy.

22 SECTION 14. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 10-100.13 of Title 14A, unless  
24 there is created a duplication in numbering, reads as follows:

1       The business of making installment loans in accordance with this  
2 act shall not be subject to or controlled by any other statute  
3 governing the imposition of interest, fees, or loan charges. A  
4 licensee shall not have the powers enumerated in this act without  
5 first complying with the law regulating the particular transaction  
6 involved, but licensees legally exercising any of the powers set  
7 forth in this act shall not be deemed in violation of any other  
8 provision of law.

9       SECTION 15.       NEW LAW       A new section of law to be codified  
10 in the Oklahoma Statutes as Section 10-100.14 of Title 14A, unless  
11 there is created a duplication in numbering, reads as follows:

12       A. The Administrator may promulgate administrative rules in  
13 accordance with the Administrative Procedures Act, for the  
14 enforcement of this act.

15       B. To assure compliance with this act, the Administrator may  
16 examine the relevant business, books and records of any licensee.  
17 Further, for the purposes of discovering violations of this act and  
18 determining whether persons are subject to this act, the  
19 Administrator may examine or investigate persons licensed under this  
20 act and persons reasonably suspected by the Administrator of  
21 conducting business that requires a license under this act by  
22 exercising authority that includes, but is not limited to, the power  
23 to summon witnesses and examine them under oath or affirmation, and  
24

1 to compel the production of books and records that may be relevant  
2 to the examination or investigation.

3 C. 1. A licensee or unlicensed person subject to the licensing  
4 requirements of this act, that is examined or investigated in  
5 accordance with this act, shall pay to the Administrator the  
6 reasonable and actual expenses of the investigation or examination.  
7 The expenses shall be payable in addition to all other fees, taxes  
8 and costs required by law.

9 SECTION 16. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 10-100.15 of Title 14A, unless  
11 there is created a duplication in numbering, reads as follows:

12 A. The Administrator of Consumer Credit shall appoint an  
13 independent hearing examiner to conduct all administrative hearings  
14 involving alleged violations of this title. The independent hearing  
15 examiner shall have authority to exercise all powers granted by  
16 Article II of the Administrative Procedures Act in conducting  
17 hearings. The independent hearing examiner shall recommend  
18 penalties authorized by this title and issue proposed orders, with  
19 proposed findings of fact and proposed conclusions of law, to the  
20 Administrator pursuant to Article II of the Administrative  
21 Procedures Act. The Administrator shall review the proposed order  
22 and issue a final agency order in accordance with Article II of the  
23 Administrative Procedures Act. The costs of the hearing examiner  
24 may be assessed by the hearing examiner against the respondent,

1 unless the respondent is the prevailing party. Any person aggrieved  
2 by a final agency order of the Administrator may obtain judicial  
3 review in accordance with the Administrative Procedures Act. The  
4 jurisdiction and venue of any such action shall be in the district  
5 court of Oklahoma County.

6 B. The Administrator may, after notice and hearing, suspend or  
7 revoke any license if the Administrator finds that the licensee has  
8 knowingly or through lack of due care:

9 1. Failed to pay any fees, expenses, or costs imposed by the  
10 Administrator under the authority of this act;

11 2. Has committed any fraud, engaged in any dishonest activities  
12 or made any misrepresentations;

13 3. Has violated any provision of this act, any administrative  
14 rule promulgated pursuant to this act, or any other law in the  
15 course of the licensee's dealings as a licensee;

16 4. Has made a false statement in the application for the  
17 license or failed to give a true reply to a question in the  
18 application; or

19 5. Has demonstrated incompetency or untrustworthiness to act as  
20 a licensee.

21 C. If the reason for revocation or suspension of a licensee's  
22 license at any one (1) location is of general application to all  
23 locations operated by a licensee, the Administrator may revoke or  
24 suspend all licenses issued to a licensee.

1 D. A hearing shall be held on written notice given at least  
2 twenty (20) days prior to the date of the hearing and shall be  
3 conducted in accordance Administrative Procedures Act.

4 SECTION 17. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 10-100.16 of Title 14A, unless  
6 there is created a duplication in numbering, reads as follows:

7 After notice and opportunity for a hearing, if the Administrator  
8 finds that a person has violated this act, or any administrative  
9 rule promulgated thereto, the Administrator may take the following  
10 actions or any combination of such actions:

11 1. Order the person to cease and desist violating the act or  
12 any administrative rule promulgated pursuant thereto;

13 2. Require the refund of any fees collected by the person in  
14 violation of this act; or

15 3. Order the person to pay to the Department of Consumer Credit  
16 a civil penalty of not more than One Thousand Dollars (\$1,000.00)  
17 for each transaction in violation of this act or for each day that a  
18 violation occurs or continues.

19 SECTION 18. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 10-100.17 of Title 14A, unless  
21 there is created a duplication in numbering, reads as follows:

22 A. The Administrator, after notice and opportunity for a  
23 hearing, may censure, suspend for a period not to exceed twelve (12)  
24

1 months, or bar a person from any position of employment, management  
2 or control of a licensee, if the Administrator finds that the:

3 1. Censure, suspension, or bar is in the public interest and  
4 that the person has committed or caused a violation of this  
5 subtitle, administrative regulation, or any rule or order of the  
6 Administrator; or

7 2. Person has been:

8 a. convicted or pled guilty to, or pled nolo contendere to,  
9 any crime, or

10 b. held liable in any civil action by final judgment or any  
11 administrative judgment by any public agency, if the  
12 criminal, civil or administrative judgment involved any  
13 offense reasonably related to the qualifications,  
14 functions or duties of a person engaged in the business  
15 of making installment loans pursuant to this subtitle.

16 B. Persons suspended or barred under this section are  
17 prohibited from participating in any business activity of a licensee  
18 and from engaging in any business activity on the premises where a  
19 licensee is conducting its business. This subsection shall not be  
20 construed to prohibit suspended or barred persons from having their  
21 personal transactions processed by a licensee.

22 SECTION 19. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 10-100.18 of Title 14A, unless  
24 there is created a duplication in numbering, reads as follows:

1       A. The Administrator may enter into a consent order at any time  
2 with any person to resolve any matter arising under this act. A  
3 consent order shall be signed by the person to whom it is issued, or  
4 a duly authorized representative, and shall indicate agreement to  
5 the terms contained in the order. A consent order need not  
6 constitute an admission by any person that any provision of this  
7 act, or any administrative rule or order promulgated or issued under  
8 this act has been violated, nor need it constitute a finding by the  
9 Administrator that the person has violated this act, or any  
10 administrative rule, or order issued under this act.

11       B. Notwithstanding the issuance of a consent order, the  
12 Administrator may seek civil or criminal penalties concerning  
13 matters encompassed by the consent order.

14       C. In cases involving extraordinary circumstances requiring  
15 immediate action, the Administrator may take any enforcement action  
16 authorized by this act without providing the opportunity for a prior  
17 hearing, but shall promptly afford a subsequent hearing upon an  
18 application to rescind the action taken that is filed with the  
19 Administrator within twenty (20) days after receipt of the notice of  
20 the Administrator's emergency action.

21       SECTION 20.       NEW LAW       A new section of law to be codified  
22 in the Oklahoma Statutes as Section 10-100.19 of Title 14A, unless  
23 there is created a duplication in numbering, reads as follows:

24



1       A. Any person aggrieved by the conduct of a licensee under this  
2 act in connection with the licensee's regulated activities may file  
3 a written complaint with the Administrator who may investigate the  
4 complaint.

5       B. In the course of the investigation of the complaint, the  
6 Administrator may:

- 7       1. Subpoena witnesses;
- 8       2. Administer oaths;
- 9       3. Examine any individual under oath or affirmation; and
- 10      4. Compel the production of records, books, papers, contracts  
11 or other documents relevant to the investigation.

12      C. If any person fails to comply with a subpoena of the  
13 Administrator under this act or to testify concerning any matter  
14 about which the person may be interrogated under this act, the  
15 Administrator may petition any court of competent jurisdiction for  
16 enforcement.

17      D. The license of any licensee under this act who fails to  
18 comply with a subpoena of the Administrator may be suspended pending  
19 compliance with the subpoena.

20      E. The Administrator shall have exclusive administrative power  
21 to investigate and enforce any and all complaints relating to the  
22 business of making installment loans filed by any person that are  
23 not criminal in nature.

SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 10-100.20 of Title 14A, unless there is created a duplication in numbering, reads as follows:

Within fifteen (15) days of the occurrence of any one (1) of the following events, a licensee shall file a written report with the Administrator describing the event and its expected impact on the activities of the licensee in this state:

1. The filing for bankruptcy or reorganization by the licensee;

2. Revocation or suspension proceedings instituted against the licensee by any state or governmental authority;

3. The denial of the opportunity to engage in the business of making loans by any state or governmental authority;

4. Any felony indictment of the licensee or any of its directors, officers or principals;

5. Any felony conviction of the licensee or any of its directors, officers or principals; and

6. Other events that the Administrator may determine and identify by administrative regulation.

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 10-100.21 of Title 14A, unless there is created a duplication in numbering, reads as follows:

A. Each licensee shall file an annual report with the Administrator on the date of the renewal application required in Section 9 of this act, containing the following information:

1        1. The names and addresses of persons owning a controlling  
2 interest in each licensee;

3        2. The location of all places of business operated by the  
4 licensee and the nature of the business conducted at each location;

5        3. The names and addresses of all affiliated entities regulated  
6 under this title doing business in this state;

7        4. An audited financial statement, including, but not limited  
8 to, a balance sheet, statement of income or loss, and statement of  
9 changes in financial position, for the immediately preceding fiscal  
10 year end, prepared in accordance with generally accepted accounting  
11 principles by a certified public accountant or public accounting  
12 firm, neither of which is affiliated with the licensee; and

13       5. If the licensee is a corporation, the names and addresses of  
14 its officers and directors; if the licensee is a partnership, the  
15 names and addresses of the partners; or if the licensee is a limited  
16 liability company, the names and addresses of the board of governors  
17 or managers of the limited liability company.

18       B. If the licensee holds two (2) or more licenses or is  
19 affiliated with other licensees a composite report may be filed, but  
20 may not be required.

21       C. The reports shall be filed in a form that may reasonably be  
22 required by the Administrator and shall be sworn to by a responsible  
23 officer of the licensee.

1 D. The information submitted by licensees shall be  
2 confidential.

3 SECTION 23. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 10-100.22 of Title 14A, unless  
5 there is created a duplication in numbering, reads as follows:

6 A. In addition to any other powers conferred upon the  
7 Administrator of the Department of Consumer Credit by law, the  
8 Administrator is authorized to require persons subject to this act  
9 to be licensed through a multi-state automated licensing system.

10 Pursuant to this authority, the Administrator may:

11 1. Promulgate administrative rules that are reasonably  
12 necessary for participation in, transition to, or operation of a  
13 multi-state automated licensing system;

14 2. Establish relationships or enter into agreements that are  
15 reasonably necessary for participation in, transition to, or  
16 operation of a multi-state automated licensing system. The  
17 agreements may include, but are not limited to, operating  
18 agreements, information sharing agreements, interstate cooperative  
19 agreements and technology licensing agreements;

20 3. Require that applications for licensing under this act and  
21 renewals of such licenses be filed with a multi-state automated  
22 licensing system;

23 4. Require that any fees required to be paid under this act be  
24 paid through a multi-state automated licensing system;

1        5. Establish deadlines for transitioning licensees to a multi-  
2 state automated licensing system. The Administrator has the  
3 authority to deny any applications or renewal applications not filed  
4 with a multi-state automated licensing system after such deadlines  
5 have passed, notwithstanding any dates established elsewhere in this  
6 act; provided, however, the Administrator shall provide reasonable  
7 notice of any transition deadlines to licensees; and

8        6. Take such further actions as are reasonably necessary to  
9 give effect to this section.

10       B. Nothing in this section shall authorize the Administrator to  
11 require a person who is not subject to this act to submit  
12 information to or to participate in, a multi-state automated  
13 licensing system that is operated, or participated in, pursuant to  
14 this act.

15       C. Notwithstanding this section, the Administrator retains full  
16 authority and discretion to license persons under this act and to  
17 enforce this act to its fullest extent. Nothing in this section  
18 shall be deemed to be a reduction or derogation of that authority  
19 and discretion.

20       D. Applicants for and holders of licenses issued under this act  
21 shall pay all costs associated with submitting an application to or  
22 transitioning a license to a multi-state automated licensing system,  
23 as well as all costs required by a multi-state automated licensing  
24

1 system for maintaining and renewing any license issued by the  
2 Administrator on a multi-state automated licensing system.

3 SECTION 24. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 10-100.23 of Title 14A, unless  
5 there is created a duplication in numbering, reads as follows:

6 The Administrator of the Department of Consumer Credit is  
7 authorized to use a multi-state automated licensing system as an  
8 agent for channeling information, whether criminal or noncriminal in  
9 nature, whether derived from or distributed to the United States  
10 Department of Justice or any other state or federal governmental  
11 agency, or any other source, that the Administrator is authorized to  
12 request from, or distribute to, under this act.

13 SECTION 25. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 10-100.24 of Title 14A, unless  
15 there is created a duplication in numbering, reads as follows:

16 In order to promote more effective regulation and reduce  
17 regulatory burden through supervisory information sharing:

18 A. The requirements under any federal or state law regarding  
19 the privacy or confidentiality of any information or material  
20 provided to a multi-state automated licensing system, and any  
21 privilege arising under federal or state law, including the rules of  
22 any federal or state court with respect to such information or  
23 material, shall continue to apply to the information or material  
24 after the information or material has been disclosed to a multi-

1 state automated licensing system. The information or material may  
2 be shared with all state and federal regulatory officials with  
3 consumer credit oversight authority without the loss of privilege or  
4 the loss of confidentiality protections provided by federal or state  
5 law, including the protection available under state law.

6 B. For purposes of this section, the Administrator is  
7 authorized to enter into agreements or sharing agreements with other  
8 governmental agencies, the Conference of State Bank Supervisors, or  
9 other associations representing governmental agencies as established  
10 by rule or order of the Administrator.

11 C. Information or material that is subject to a privilege or  
12 confidential under this section shall not be subject to:

13 1. Disclosure under any federal or state law governing the  
14 disclosure to the public of information held by an officer or any  
15 agency of the federal government or the respective state; or

16 2. Subpoena, discovery, or admission into evidence in any  
17 private civil action or administrative process, unless with respect  
18 to any privilege held by a multi-state automated licensing system  
19 applicable to such information or material, the person to whom such  
20 information or material pertains waives that privilege, in whole or  
21 in part, in the discretion of such person.

22 D. This section shall supersede any inconsistent provisions of  
23 law pertaining to the records open to public inspection.

1 E. This section shall not apply with respect to information or  
2 material relating to publicly adjudicated disciplinary and  
3 enforcement actions against persons subject to this act that is  
4 included in a multi-state automated licensing system for access by  
5 the public.

6 SECTION 26. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 10-100.25 of Title 14A, unless  
8 there is created a duplication in numbering, reads as follows:

9 Local government units, including, but not limited to, cities,  
10 towns and counties, shall have no authority to regulate installment  
11 plan loans.

12 SECTION 27. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 10-100.26 of Title 14A, unless  
14 there is created a duplication in numbering, reads as follows:

15 Each lender shall pay one dollar (\$1.00) for each installment  
16 loan entered into to be deposited into the Consumer Credit  
17 Counseling Revolving Fund created by Section 3118 of Title 59 of the  
18 Oklahoma Statutes.

19 SECTION 28. This act shall become effective November 1, 2017.  
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