

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 1694
Version:	Senate Amendment
Request Number:	N/A
Author:	Rep. Martin
Date:	5/4/2017
Impact:	Charge increase on deferred deposit loans Estimated total increase of \$210,000 annually

Research Analysis

The SA leaves in place the current grade levels for instruction in personal financial literacy. It modifies the amount payday lenders must deposit into the Consumer Credit Counseling Revolving Fund and the Personal Financial Literacy Education Revolving Fund.

The bill modifies the areas of instruction regarding financial literacy to include the managing of a bank account and understanding the Free Application for Federal Student Aid or FASFA. Beginning with the 2020-21 school year, all teachers who are assigned to teach personal financial literacy must complete ongoing professional development training in the areas of personal financial literacy instruction.

The bill requires payday lenders to deposit \$0.30 for each deferred deposit into the Consumer Credit Counseling Revolving Fund and the Personal Financial Literacy Education Revolving Fund. Eight cents of each payment will be deposited into the consumer credit fund and \$0.22 cents will be deposited into the financial literacy fund. Funds deposited into the financial literacy fund are to be used by the State Department of Education to carry out the provisions of the Passport to Financial Literacy Act.

Prepared By: Scott Tohlen

Fiscal Analysis

ESA to EHB 1694 relates to financial literacy. Areas of instruction are modified. The Department of Education requirements are further specified. Funds deposited into the created Personal Financial Literacy Education Revolving Fund may be utilized for specified items. The Department may contract or work with a third-party, Oklahoma-based not-for-profit organization in development of standards and curricula, and may use a third-party organization to deliver professional development for teachers.

Beginning with the 2020-21 school year, all teachers assigned to teach personal financial literacy will complete certain ongoing professional development training. Lender payments for each deferred deposit loan are increased from five cents to thirty cents. Eight cents of each thirty-cent payment will be deposited into the Consumer Credit Counseling Revolving Fund and twenty-two cents will be paid for deposit into the Personal Financial Literacy Education Revolving Fund.

The current five cent deposit brings in approximately \$42,000 annually. The increased funds and distributions are estimated at approximately \$56,000 to the Consumer Credit Counseling Revolving Fund and \$154,000 to the Personal Financial Literacy Education Revolving Fund.

Prepared By: Andrea Kearney

Other Considerations

None.

© 2017 Oklahoma House of Representatives, see Copyright Notice at www.okhouse.gov