

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 57th Legislature (2019)

4 ENGROSSED SENATE

5 BILL NO. 732

By: Leewright of the Senate

and

McEntire of the House

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9 An Act relating to the Uniform Consumer Credit Code;
10 amending 14A O.S. 2011, Section 1-106, as amended by
11 Section 1, Chapter 297, O.S.L. 2014 (14A O.S. Supp.
12 2018, Section 1-106), which relates to changes in
13 certain dollar amounts from Reference Base Index;
14 making gender neutral; modifying reference; amending
15 14A O.S. 2011, Section 3-508B, which relates to loan
16 finance charges on certain loan amounts; adding
17 brackets for certain loan amounts; providing handling
18 charges; allowing certain acquisition charge;
19 modifying references; and providing an effective
20 date.

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

22 SECTION 1. AMENDATORY 14A O.S. 2011, Section 1-106, as
23 amended by Section 1, Chapter 297, O.S.L. 2014 (14A O.S. Supp. 2018,
24 Section 1-106), is amended to read as follows:

25 Section 1-106. (1) From time to time the dollar amounts in
26 paragraphs (a), (b) and (c) of subsection (2) of Section 2-201,
27 paragraph (a) of subsection (1) of Section 2-203, subsection (1) of
28 Section 2-407, Section 2-413, paragraph (b) of subsection (1) of

1 Section 3-203, Section 3-203.1, subsection (1) of Section 3-508B,
2 subsection (1) of Section 3-510, paragraphs (a) and (b) of Section
3 3-511, Section 3-514, and subsections (2) and (3) of Section 5-103
4 of the Uniform Consumer Credit Code, are hereby designated as
5 subject to change and shall change, as provided in this section and
6 the rules of the Administrator, according to and to the extent of
7 changes in the Consumer Price Index for Urban Wage Earners and
8 Clerical Workers: U.S. City Average, All Items, 1967=100, compiled
9 by the Bureau of Labor Statistics, United States Department of
10 Labor, and hereafter referred to as the Index. The Index for
11 December of the year 1973 shall be deemed the Reference Base Index.
12 The dollar amounts established by rule of the Administrator in
13 paragraph (e) of subsection (1) of Section 2-104, paragraph (b) of
14 subsection (1) of Section 2-106 and paragraph (d) of Section 3-104
15 of the Uniform Consumer Credit Code in effect on January 1, 1982,
16 shall remain in full force and effect.

17 (2) The designated dollar amounts shall change on July 1 of
18 each year if the percentage of change, calculated to the nearest
19 whole percentage point, between the Index at the end of the
20 preceding year and the Reference Base Index is ten percent (10%) or
21 more, but:

22 (a) the portion of the percentage change in the Index in
23 excess of a multiple of ten percent (10%) shall be
24 disregarded and the dollar amounts shall change only

1 in multiples of ten percent (10%) of the amounts
2 appearing in ~~this~~ the Uniform Consumer Credit Code;
3 and

4 (b) the dollar amounts shall not change if the amounts
5 required by this section are those currently in effect
6 pursuant to ~~this~~ the Uniform Consumer Credit Code as a
7 result of earlier application of this section.

8 (3) If the Index is revised, the percentage of change pursuant
9 to this section shall be calculated on the basis of the revised
10 Index. If a revision of the Index changes the Reference Base Index,
11 a revised Reference Base Index shall be determined by multiplying
12 the Reference Base Index then applicable by the rebasing factor
13 furnished by the United States Bureau of Labor Statistics. If the
14 Index is superseded, the Index referred to in this section shall be
15 the one represented by the United States Bureau of Labor Statistics
16 as reflecting most accurately changes in the purchasing power of the
17 dollar for consumers.

18 (4) The rules of the Administrator shall:

19 (a) include the method for calculating the changes in
20 dollar amounts required by subsection (2) of this
21 section;

22 (b) be amended in accordance with the Administrative
23 Procedures Act to include changes in the Index
24 required by subsection (3) of this section including,

1 if applicable, the numerical equivalent of the
2 Reference Base Index under a revised Reference Base
3 Index and the designation or title of any index
4 superseding the Index; and

5 (c) provide for appropriate notice to licensees and other
6 interested persons of any changes in the dollar
7 amounts which result from changes required by
8 subsection (2) of this section no later than April 30
9 of each year. Each dollar amount subject to change as
10 provided in this section shall be listed in an
11 appendix to the rules of the Administrator and shall
12 be published in the Oklahoma Administrative Code.
13 Changes to the appendix shall be submitted to the
14 Secretary of State prior to the annual deadline for
15 submitting material for publication in the Code.
16 Changes in the appendix shall not be construed as
17 rulemaking.

18 (5) A person does not violate ~~this act~~ the Uniform Consumer
19 Credit Code with respect to a transaction otherwise complying with
20 ~~this act~~ the Uniform Consumer Credit Code if he or she relies on
21 dollar amounts either determined according to subsection (2) of this
22 section or appearing in the last rule of the Administrator
23 announcing the then current dollar amounts.

1 SECTION 2. AMENDATORY 14A O.S. 2011, Section 3-508B, is
2 amended to read as follows:

3 Section 3-508B. ~~(1)~~ 1. On loans having a principal of Three
4 Hundred Dollars (\$300.00) or less, a supervised lender may charge in
5 lieu of the loan finance charges specified in Section 3-508A of this
6 title, the following amounts:

7 ~~(a)~~

8 a. on any amount up to and including Twenty-nine Dollars
9 and ninety-nine cents (\$29.99), there shall be allowed
10 an acquisition charge for making the loan not in
11 excess of one-tenth (1/10) of the amount of the
12 principal. In addition thereto, a handling charge may
13 be added at the ratio of One Dollar (\$1.00) for each
14 Five Dollars (\$5.00) of principal~~+~~.

15 ~~(b)~~

16 b. on any loan in an amount in excess of Twenty-nine
17 Dollars and ninety-nine cents (\$29.99) up to and
18 including the amount of Thirty-five Dollars (\$35.00),
19 there shall be allowed an acquisition charge for
20 making the loan not in excess of one-tenth (1/10) of
21 the amount of the principal. In addition thereto, an
22 installment account handling charge shall be allowed
23 not to exceed Three Dollars (\$3.00) per month~~+~~.

24 ~~(c)~~

1 c. on any loan of an amount in excess of Thirty-five
2 Dollars (\$35.00) but not more than Seventy Dollars
3 (\$70.00), there shall be allowed an acquisition charge
4 for making the loan not in excess of one-tenth (1/10)
5 of the amount of the principal. In addition thereto,
6 an installment account handling charge shall be
7 allowed not to exceed Three Dollars and fifty cents
8 (\$3.50) per month~~+~~

9 ~~(d)~~

10 d. on any loan of an amount in excess of Seventy Dollars
11 (\$70.00) but not in excess of One Hundred Dollars
12 (\$100.00), there shall be allowed an acquisition
13 charge for making the loan, not in excess of one-tenth
14 (1/10) of the amount of the principal. In addition
15 thereto, an installment account handling charge shall
16 be allowed not to exceed Four Dollars (\$4.00) per
17 month~~+~~

18 ~~(e)~~

19 e. on any loan in an amount in excess of One Hundred
20 Dollars (\$100.00) up to and including the amount of
21 One Hundred Fifty Dollars (\$150.00), there shall be
22 allowed an acquisition charge for making the loan not
23 in excess of one-tenth (1/10) of the amount of the
24 principal. In addition thereto, an installment

1 account handling charge shall be allowed not to exceed
2 Four Dollars and fifty cents (\$4.50) per month~~+~~l
3 ~~(f)~~
4 f. on any loan of an amount in excess of One Hundred
5 Fifty Dollars (\$150.00) but not more than ~~Three~~
6 ~~Hundred Dollars (\$300.00)~~ Two Hundred Dollars
7 (\$200.00), there shall be allowed an acquisition
8 charge for making the loan not in excess of one-tenth
9 (1/10) of the amount of the principal. In addition
10 thereto, an installment account handling charge shall
11 be allowed not to exceed Five Dollars (\$5.00) per
12 month~~+~~l
13 g. on any loan of an amount in excess of Two Hundred
14 Dollars (\$200.00) but not more than Two Hundred Fifty
15 Dollars (\$250.00), there shall be allowed an
16 acquisition charge for making the loan not in excess
17 of one-tenth (1/10) of the amount of the principal.
18 In addition thereto, an installment account handling
19 charge not to exceed Five Dollars and fifty cents
20 (\$5.50) per month, and
21 h. on any loan of an amount in excess of Two Hundred
22 Fifty Dollars (\$250.00) but not more than Three
23 Hundred Dollars (\$300.00), there shall be allowed an
24 acquisition charge for making the loan not in excess

1 of one-tenth (1/10) of the amount of the principal.

2 In addition thereto, an installment account handling

3 charge not to exceed Six Dollars (\$6.00) per month.

4 ~~(2)~~ 2. The maximum term of any loan made under the terms of
5 this section shall be one (1) month for each Ten Dollars (\$10.00) of
6 principal up to a maximum term of eighteen (18) months. Provided,
7 however, that under ~~subsections (e) and (f)~~ subparagraphs e through
8 h of paragraph 1 of this subsection the maximum terms shall be one
9 (1) month for each Twenty Dollars (\$20.00) of principal up to a
10 maximum term of eighteen (18) months.

11 ~~(3)~~ 3. The minimum term of any loan made under the terms of
12 ~~subsections (b)~~ subparagraphs a through (f) h of paragraph 1 of this
13 ~~section~~ subsection shall be no less than sixty (60) days. Any loan
14 made under the terms of this section shall be scheduled to be
15 payable in substantially equal installments at not less than thirty-
16 day intervals, with the first installment to be scheduled to be due
17 not less than one (1) calendar month after the date such loan is
18 made.

19 ~~(4)~~ 4. Loans made under this section may be refinanced or
20 consolidated according to the provisions of this section,
21 notwithstanding anything in ~~this act~~ Section 2-101 et seq. of this
22 title to the contrary. When a loan made under this section is
23 refinanced or consolidated, installment account handling charges on
24 the loans being refinanced or consolidated must be rebated pursuant

1 to the provisions regarding rebate on prepayment (Section 3-210 of
2 this title) as of the date of refinancing or consolidation. For the
3 purpose of determining the amount of acquisition and installment
4 account handling charges permitted in relation to the refinancing or
5 the consolidation of loans made under this section, the principal
6 resulting from the refinancing or consolidation is the total of the
7 unpaid balances of the principal of the loans being refinanced or
8 consolidated, plus any new money advanced, and any delinquency or
9 deferral charges if due and unpaid, less any unearned acquisition
10 and installment account handling charges imposed in connection with
11 loans being refinanced or consolidated.

12 ~~(5)~~ 5. On such loans under this section, no insurance charges
13 or any other charges of any nature whatsoever shall be permitted.

14 ~~(6)~~ 6. Except as otherwise provided, the acquisition charge
15 authorized herein shall be deemed to be earned at the time a loan is
16 made and shall not be subject to refund. Provided, however, in a
17 loan made under this section which is prepaid in full, refinanced or
18 consolidated within the first sixty (60) days, the acquisition
19 charge under this section will not be fully earned at the time the
20 loan is made, but must be refunded pro rata at the rate of one-
21 sixtieth (1/60) of the acquisition charge for each day from the date
22 of the prepayment, refinancing or consolidation to the sixtieth day
23 of the loan. On the prepayment of any loan under this section, the
24 installment account handling charge shall be subject to the

1 provisions of Section 3-210 of this title as it relates to refunds.
2 Provisions of Section 3-203 of this title as it relates to
3 delinquency charges and Section 3-204 of this title as it relates to
4 deferral charges shall apply to loans made under the section.

5 SECTION 3. This act shall become effective November 1, 2019.

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7 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated
8 04/10/2019 - DO PASS.
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