

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL NO. 720

By: Leewright

AS INTRODUCED

An Act relating to deferred deposit lenders; amending 59 O.S. 2011, Section 3106, which relates to prohibited acts; adding certain electronic payment; stating conditions for acceptance; and providing an effective date.

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

SECTION 1. AMENDATORY 59 O.S. 2011, Section 3106, is amended to read as follows:

Section 3106. A deferred deposit lender shall not:

1. Charge fees other than, or in excess of those authorized by the Deferred Deposit Lending Act;

2. Make deferred deposit loans at unlicensed locations;

3. Alter or delete the date on an instrument after it has been accepted by the lender pursuant to a deferred deposit loan;

4. Accept an undated instrument or an instrument dated on a date other than the date of the deferred deposit loan;

5. Accept an instrument unless the account on which the instrument is drawn is a legitimate, open and active account;

1 6. Accept an electronic instrument for payment unless the
2 lender:

- 3 a. gets written authorization from the borrower to
4 establish the debit,
5 b. gives written notice to the borrower before the
6 initial funds are transferred,
7 c. after a second failed attempt to make the loan payment
8 due to insufficient funds, the lender must get written
9 approval from the borrower,

10 The lender is permitted to provide electronic written notices to
11 the borrower as long as they consent to electronic communications;

12 7. Require a debtor to provide security for the deferred deposit
13 loan or require a debtor to provide a guaranty from another person;

14 ~~7.~~ 8. Advance a loan amount greater than Five Hundred Dollars
15 (\$500.00) to a borrower in one deferred deposit loan transaction
16 exclusive of the finance charge allowed in Section 3108 of this
17 title;

18 ~~8.~~ 9. Engage in a deferred deposit loan with a term of less than
19 twelve (12) days or more than forty-five (45) days;

20 ~~9.~~ 10. Negotiate or present an instrument for payment unless the
21 instrument is endorsed with the actual business name of the lender;

22 ~~10.~~ 11. Negotiate any instrument presented by a borrower if the
23 borrower has redeemed the instrument by paying the full amount due
24 under the deferred deposit loan;

1 ~~11.~~ 12. Make any charge for insurance in connection with a
2 deferred deposit loan transaction;

3 ~~12.~~ 13. Refuse the borrower's right to rescind the deferred
4 deposit loan at any time between the time of the deferred deposit
5 loan transaction and 5 p.m. of the next business day following the
6 deferred deposit loan transaction;

7 ~~13.~~ 14. Charge the borrower an additional finance charge or fee
8 for cashing a lender's business instrument, if the lender pays the
9 proceeds from the loan transaction in the form of a business
10 instrument;

11 ~~14.~~ 15. Require or accept more than one dated instrument per
12 deferred deposit loan; or

13 ~~15.~~ 16. Refuse the borrower's right to enter into an installment
14 payment plan, pursuant to ~~this act~~ the Deferred Deposit Lending Act.

15 SECTION 2. This act shall become effective November 1, 2019.

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