

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL NO. 732

By: Leewright

AS INTRODUCED

An Act relating to the Uniform Consumer Credit Code; amending 14A O.S. 2011, Section 1-106, as amended by Section 1, Chapter 297, O.S.L. 2014 (14A O.S. Supp. 2018, Section 1-106), which relates to changes in certain dollar amounts from Reference Base Index; deleting reference; making gender neutral; modifying reference; amending 14A O.S. 2011, Section 3-508B, which relates to loan finance charges on certain loan amounts; modifying certain loan amounts and handling charges; providing for certain consumer price index adjustments to certain loan amounts and charges; modifying references; providing an effective date; and declaring an emergency.

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

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

Section 1-106. (1) From time to time the dollar amounts in paragraphs (a), (b) and (c) of subsection (2) of Section 2-201, paragraph (a) of subsection (1) of Section 2-203, subsection (1) of Section 2-407, Section 2-413, paragraph (b) of subsection (1) of Section 3-203, Section 3-203.1, ~~subsection (1) of Section 3-508B,~~

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

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

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

1 appearing in ~~this~~ the Uniform Consumer Credit Code;

2 and

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

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

17 (4) The rules of the Administrator shall:

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

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

1 Reference Base Index under a revised Reference Base
2 Index and the designation or title of any index
3 superseding the Index; and

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

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

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

1 Section 3-508B. ~~(1)~~ A. 1. On loans having a principal of
2 ~~Three Hundred Dollars (\$300.00)~~ One Thousand Five Hundred Dollars
3 (\$1,500.00) or less, a supervised lender may charge in lieu of the
4 loan finance charges specified in Section 3-508A of this title, the
5 following amounts:

6 ~~(a)~~

7 a. on any amount up to and including ~~Twenty-nine Dollars~~
8 ~~and ninety-nine cents (\$29.99)~~ One Hundred Forty-three
9 Dollars and ninety-five cents (\$143.95), a charge may
10 be added at the ratio of One Dollar (\$1.00) for each
11 Five Dollars (\$5.00) of principal~~+~~,

12 ~~(b)~~

13 b. on any loan in an amount in excess of ~~Twenty-nine~~
14 ~~Dollars and ninety-nine cents (\$29.99)~~ One Hundred
15 Forty-three Dollars and ninety-five cents (\$143.95) up
16 to and including the amount of ~~Thirty-five Dollars~~
17 ~~(\$35.00)~~ One Hundred Sixty-seven Dollars and fifty
18 cents (\$167.50), there shall be allowed an acquisition
19 charge for making the loan not in excess of one-tenth
20 (1/10) of the amount of the principal. In addition
21 thereto, an installment account handling charge shall
22 be allowed not to exceed ~~Three Dollars (\$3.00)~~
23 Fourteen Dollars and forty cents (\$14.40) per month~~+~~,

24 ~~(c)~~

c. on any loan of an amount in excess of ~~Thirty-five Dollars (\$35.00)~~ One Hundred Sixty-seven Dollars and fifty cents (\$167.50) but not more than ~~Seventy Dollars (\$70.00)~~ Three Hundred Thirty-six Dollars (\$336.00), there shall be allowed an acquisition charge for making the loan not in excess of one-tenth (1/10) of the amount of the principal. In addition thereto, an installment account handling charge shall be allowed not to exceed ~~Three Dollars and fifty cents (\$3.50)~~ Sixteen Dollars and eighty cents (\$16.80) per month~~+,~~

~~(d)~~

d. on any loan of an amount in excess of ~~Seventy Dollars (\$70.00)~~ Three Hundred Thirty-six Dollars (\$336.00) but not in excess of ~~One Hundred Dollars (\$100.00)~~ Four Hundred Eighty Dollars (\$480.00), there shall be allowed an acquisition charge for making the loan, not in excess of one-tenth (1/10) of the amount of the principal. In addition thereto, an installment account handling charge shall be allowed not to exceed ~~Four Dollars (\$4.00)~~ Nineteen Dollars and twenty cents (\$19.20) per month~~+,~~

~~(e)~~

1 e. on any loan in an amount in excess of ~~One Hundred~~
2 ~~Dollars (\$100.00)~~ Four Hundred Eighty Dollars
3 (\$480.00) up to and including the amount of ~~One~~
4 ~~Hundred Fifty Dollars (\$150.00)~~ Seven Hundred Twenty
5 Dollars (\$720.00), there shall be allowed an
6 acquisition charge for making the loan not in excess
7 of one-tenth (1/10) of the amount of the principal.
8 In addition thereto, an installment account handling
9 charge shall be allowed not to exceed ~~Four Dollars and~~
10 ~~fifty cents (\$4.50)~~ Twenty-one Dollars and sixty cents
11 (\$21.60) per month ~~+~~ 1

12 ~~(f)~~

13 f. on any loan of an amount in excess of ~~One Hundred~~
14 ~~Fifty Dollars (\$150.00)~~ Seven Hundred Twenty Dollars
15 (\$720.00) but not more than ~~Three Hundred Dollars~~
16 ~~(\$300.00)~~ Nine Hundred Eighty Dollars (\$980.00), there
17 shall be allowed an acquisition charge for making the
18 loan not in excess of one-tenth (1/10) of the amount
19 of the principal. In addition thereto, an installment
20 account handling charge shall be allowed not to exceed
21 ~~Five Dollars (\$5.00)~~ Twenty-four Dollars (\$24.00) per
22 month ~~+~~ 1

23 g. on any loan of an amount in excess of Nine Hundred
24 Eighty Dollars (\$980.00) but not more than One

1 Thousand Two Hundred Forty Dollars (\$1,240.00), there
2 shall be allowed an acquisition charge for making the
3 loan not in excess of one-tenth (1/10) of the amount
4 of the principal. In addition thereto, an installment
5 account handling charge shall be allowed not to exceed
6 Twenty-six Dollars and forty cents (\$26.40) per month,
7 and

8 h. on any loan of an amount in excess of One Thousand Two
9 Hundred Forty Dollars (\$1,240.00) but not more than
10 One Thousand Five Hundred Dollars (\$1,500.00), there
11 shall be allowed an acquisition charge for making the
12 loan not in excess of one-tenth (1/10) of the amount
13 of the principal. In addition thereto, an installment
14 account handling charge shall be allowed not to exceed
15 Twenty-eight Dollars and eighty cents (\$28.80) per
16 month.

17 ~~(2)~~ 2. The maximum term of any loan made under the terms of
18 this section shall be one (1) month for each Ten Dollars (\$10.00) of
19 principal up to a maximum term of eighteen (18) months. Provided,
20 however, that under ~~subsections (e) and (f)~~ subparagraphs e through
21 h of paragraph 1 of this subsection the maximum terms shall be one
22 (1) month for each Twenty Dollars (\$20.00) of principal up to a
23 maximum term of eighteen (18) months.
24

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

9 ~~(4)~~ 4. Loans made under this section may be refinanced or
10 consolidated according to the provisions of this section,
11 notwithstanding anything in ~~this act~~ Section 2-101 et seq. of this
12 title to the contrary. When a loan made under this section is
13 refinanced or consolidated, installment account handling charges on
14 the loans being refinanced or consolidated must be rebated pursuant
15 to the provisions regarding rebate on prepayment (Section 3-210 of
16 this title) as of the date of refinancing or consolidation. For the
17 purpose of determining the amount of acquisition and installment
18 account handling charges permitted in relation to the refinancing or
19 the consolidation of loans made under this section, the principal
20 resulting from the refinancing or consolidation is the total of the
21 unpaid balances of the principal of the loans being refinanced or
22 consolidated, plus any new money advanced, and any delinquency or
23 deferral charges if due and unpaid, less any unearned acquisition
24

1 and installment account handling charges imposed in connection with
2 loans being refinanced or consolidated.

3 ~~(5)~~ 5. On such loans under this section, no insurance charges
4 or any other charges of any nature whatsoever shall be permitted.

5 ~~(6)~~ 6. Except as otherwise provided, the acquisition charge
6 authorized herein shall be deemed to be earned at the time a loan is
7 made and shall not be subject to refund. Provided, however, in a
8 loan made under this section which is prepaid in full, refinanced or
9 consolidated within the first sixty (60) days, the acquisition
10 charge under this section will not be fully earned at the time the
11 loan is made, but must be refunded pro rata at the rate of one-
12 sixtieth (1/60) of the acquisition charge for each day from the date
13 of the prepayment, refinancing or consolidation to the sixtieth day
14 of the loan. On the prepayment of any loan under this section, the
15 installment account handling charge shall be subject to the
16 provisions of Section 3-210 of this title as it relates to refunds.
17 Provisions of Section 3-203 of this title as it relates to
18 delinquency charges and Section 3-204 of this title as it relates to
19 deferral charges shall apply to loans made under the section.

20 B. 1. From time to time the dollar amounts in subparagraphs a
21 through h of paragraph 1 of subsection A of this section are hereby
22 designated as subject to change and shall change, as provided in
23 this subsection and the rules of the Administrator of the Commission
24 on Consumer Credit, according to and to the extent of changes in the

1 Consumer Price Index for Urban Wage Earners and Clerical Workers
2 (CPI-W): U.S. City Average, All Items, 1982-84=100, compiled by the
3 Bureau of Labor Statistics, United States Department of Labor, and
4 hereafter referred to as the Index. The Index for December of the
5 year 2013 shall be deemed the Reference Base Index.

6 2. Beginning July 1, 2020, the designated dollar amounts in
7 subparagraphs a through h of paragraph 1 of subsection A of this
8 section shall change on July 1 of each year if the percentage of
9 change, calculated to the nearest whole percentage point, between
10 the Index at the end of the preceding year and the Reference Base
11 Index is ten percent (10%) or more, but:

12 a. the portion of the percentage change in the Index in
13 excess of a multiple of ten percent (10%) shall be
14 disregarded and the dollar amounts shall change only
15 in multiples of ten percent (10%) of the amounts
16 appearing in subparagraphs a through h of paragraph 1
17 of subsection A of this section, and

18 b. the dollar amounts shall not change if the amounts
19 required by this subsection are those currently in
20 effect pursuant to the Uniform Consumer Credit Code as
21 a result of earlier application of this section.

22 3. If the Index is revised, the percentage of change pursuant
23 to this subsection shall be calculated on the basis of the revised
24 Index. If a revision of the Index changes the Reference Base Index,

1 a revised Reference Base Index shall be determined by multiplying
2 the Reference Base Index then applicable by the rebasing factor
3 furnished by the United States Bureau of Labor Statistics. If the
4 Index is superseded, the Index referred to in this subsection shall
5 be the one represented by the United States Bureau of Labor
6 Statistics as reflecting most accurately changes in the purchasing
7 power of the dollar for consumers.

8 4. The rules of the Administrator shall:

9 a. include the method for calculating the changes in
10 dollar amounts required by paragraph 2 of this
11 subsection,

12 b. be amended in accordance with the Administrative
13 Procedures Act to include changes in the Index
14 required by paragraph 3 of this subsection including,
15 if applicable, the numerical equivalent of the
16 Reference Base Index under a revised Reference Base
17 Index and the designation or title of any index
18 superseding the Index, and

19 c. provide for appropriate notice to licensees and other
20 interested persons of any changes in the dollar
21 amounts which result from changes required by
22 paragraph 2 of this subsection no later than April 30
23 of each year. Each dollar amount subject to change as
24 provided in this subsection shall be listed in an

1 appendix to the rules of the Administrator and shall
2 be published in the Oklahoma Administrative Code.
3 Changes to the appendix shall be submitted to the
4 Secretary of State prior to the annual deadline for
5 submitting material for publication in the Oklahoma
6 Administrative Code. Changes in the appendix shall
7 not be construed as rulemaking.

8 5. A person does not violate the Uniform Consumer Credit Code
9 with respect to a transaction otherwise complying with the Uniform
10 Consumer Credit Code if the person relies on dollar amounts either
11 determined according to paragraph 2 of this subsection or appearing
12 in the last rule of the Administrator announcing the then current
13 dollar amounts.

14 SECTION 3. This act shall become effective July 1, 2019.

15 SECTION 4. It being immediately necessary for the preservation
16 of the public peace, health or safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

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