

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE  
FOR

SENATE BILL NO. 1687

By: Leewright

COMMITTEE SUBSTITUTE

An Act relating to supervised loans; amending 14A O.S. 2021, Section 1-106, which relates to change in dollar amounts; removing section reference; designating dollar amounts subject to change; providing for conditions of changes; amending 14A O.S. 2021, Section 3-508B, which relates to charges for supervised loans; changing amount thresholds; creating additional amount thresholds; providing maximum terms for loan amounts; and providing an effective date.

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

SECTION 1. AMENDATORY 14A O.S. 2021, 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 (4) of Section 3-508A, ~~subsection (1) of Section 3-508B~~, subsection (1) of Section 3-510, paragraphs (a) and (b) of Section 3-511, Section 3-514, and

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

15 (2) From time to time, the dollar amounts in subsection (1) of  
16 Section 3-508B of the Uniform Consumer Credit Code are hereby  
17 designated as subject to change and shall change, as provided in  
18 this section and the rules of the Administrator, according to and to  
19 the extent of changes in the Consumer Price Index for Urban Wage  
20 Earners and Clerical Workers: U.S. City Average, All Items, 1982-  
21 84=100, compiled by the Bureau of Labor Statistics, United States  
22 Department of Labor, and hereafter referred to as the Index. The  
23 Index for December 2021 shall be deemed the Reference Base Index.  
24

1        (3) The designated dollar amounts referenced in subsection (1)  
2 of this section shall change on July 1 of each year if the  
3 percentage of change, calculated to the nearest whole percentage  
4 point, between the Index at the end of the preceding year and the  
5 Reference Base Index is ten percent (10%) or more, but:

6            (a) the portion of the percentage change in the Index in  
7                excess of a multiple of ten percent (10%) shall be  
8                disregarded and the dollar amounts shall change only  
9                in multiples of ten percent (10%) of the amounts  
10               appearing in the Uniform Consumer Credit Code; and

11           (b) the dollar amounts shall not change if the amounts  
12                required by this section are those currently in effect  
13                pursuant to the Uniform Consumer Credit Code as a  
14                result of earlier application of this section.

15        ~~+(3)~~ (4) The designated dollar amounts referenced in subsection  
16 (2) of this section shall change on July 1 of each year if the  
17 percentage of change, calculated to the nearest whole percentage  
18 point, between the Index at the end of the preceding year and the  
19 Reference Base Index is one percent (1%) or more, but:

20           (a) the portion of the percentage change in the Index in  
21 excess of three percent (3%) shall be disregarded and  
22 shall change only in multiples of one percent (1%), to  
23 a maximum of three percent (3%); and  
24

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

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

15       ~~(4)~~ (6) The rules of the Administrator shall:

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

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

1 Index and the designation or title of any index  
2 superseding the Index; and

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

16 ~~(5)~~ (7) A person does not violate the Uniform Consumer Credit  
17 Code with respect to a transaction otherwise complying with the  
18 Uniform Consumer Credit Code if he or she relies on dollar amounts  
19 either determined according to subsection (2) of this section or  
20 appearing in the last rule of the Administrator announcing the then  
21 current dollar amounts.

22 SECTION 2. AMENDATORY 14A O.S. 2021, Section 3-508B, is  
23 amended to read as follows:  
24

1       Section 3-508B. 1. On loans having a principal of ~~Three~~  
2 ~~Hundred Dollars (\$300.00)~~ Three Thousand Dollars (\$3,000.00) or  
3 less, a supervised lender may charge in lieu of the loan finance  
4 charges specified in Section 3-508A of this title, the following  
5 amounts:

- 6           a. on any amount up to and including ~~Twenty-nine Dollars~~  
7 ~~and ninety-nine cents (\$29.99)~~ One Hundred Sixty-one  
8 Dollars and ninety-five cents (\$161.95), there shall  
9 be allowed an acquisition charge for making the loan  
10 not in excess of one-tenth (1/10) of the amount of the  
11 principal. In addition thereto, a handling charge may  
12 be added at the ratio of ~~One Dollar (\$1.00)~~ Five  
13 Dollars and forty cents (\$5.40) for each ~~Five Dollars~~  
14 ~~(\$5.00)~~ Twenty-seven Dollars (\$27.00) of principal,
- 15           b. on any loan in an amount in excess of ~~Twenty-nine~~  
16 ~~Dollars and ninety-nine cents (\$29.99)~~ One Hundred  
17 Sixty-one Dollars and ninety-five cents (\$161.95) up  
18 to and including the amount of ~~Thirty-five Dollars~~  
19 ~~(\$35.00)~~ One Hundred Eighty-nine Dollars (\$189.00),  
20 there shall be allowed an acquisition charge for  
21 making the loan not in excess of one-tenth (1/10) of  
22 the amount of the principal. In addition thereto, an  
23 installment account handling charge shall be allowed  
24

- 1 not to exceed ~~Three Dollars (\$3.00)~~ Sixteen Dollars  
2 and twenty cents (\$16.20) per month,
- 3 c. on any loan of an amount in excess of ~~Thirty-five~~  
4 ~~Dollars (\$35.00)~~ One Hundred Eighty-nine Dollars  
5 (\$189.00) but not more than ~~Seventy Dollars (\$70.00)~~  
6 Three Hundred Seventy-eight Dollars (\$378.00), there  
7 shall be allowed an acquisition charge for making the  
8 loan not in excess of one-tenth (1/10) of the amount  
9 of the principal. In addition thereto, an installment  
10 account handling charge shall be allowed not to exceed  
11 ~~Three Dollars and fifty cents (\$3.50)~~ Eighteen Dollars  
12 and ninety cents (\$18.90) per month,
- 13 d. on any loan of an amount in excess of ~~Seventy Dollars~~  
14 ~~(\$70.00)~~ Three Hundred Seventy-eight Dollars (\$378.00)  
15 but not in excess of ~~One Hundred Dollars (\$100.00)~~  
16 Five Hundred and Forty Dollars (\$540.00), there shall  
17 be allowed an acquisition charge for making the loan,  
18 not in excess of one-tenth (1/10) of the amount of the  
19 principal. In addition thereto, an installment  
20 account handling charge shall be allowed not to exceed  
21 ~~Four Dollars (\$4.00)~~ Twenty-one Dollars and sixty  
22 cents (\$21.60) per month,
- 23 e. on any loan in an amount in excess of ~~One Hundred~~  
24 ~~Dollars (\$100.00)~~ Five Hundred Forty Dollars (\$540.00)

1 up to and including the amount of ~~One Hundred Fifty~~  
2 ~~Dollars (\$150.00)~~ Eight Hundred Ten Dollars (\$810.00),  
3 there shall be allowed an acquisition charge for  
4 making the loan not in excess of one-tenth (1/10) of  
5 the amount of the principal. In addition thereto, an  
6 installment account handling charge shall be allowed  
7 not to exceed ~~Four Dollars and fifty cents (\$4.50)~~  
8 Twenty-four Dollars and thirty cents (\$24.30) per  
9 month,

10 f. on any loan of an amount in excess of ~~One Hundred~~  
11 ~~Fifty Dollars (\$150.00)~~ Eight Hundred Ten Dollars  
12 (\$810.00) but not more than ~~Two Hundred Dollars~~  
13 ~~(\$200.00)~~ One Thousand Eighty Dollars (\$1,080.00),  
14 there shall be allowed an acquisition charge for  
15 making the loan not in excess of one-tenth (1/10) of  
16 the amount of the principal. In addition thereto, an  
17 installment account handling charge shall be allowed  
18 not to exceed ~~Five Dollars (\$5.00)~~ Twenty-seven  
19 Dollars (\$27.00) per month,

20 g. on any loan of an amount in excess of ~~Two Hundred~~  
21 ~~Dollars (\$200.00)~~ One Thousand Eighty Dollars  
22 (\$1,080.00) but not more than ~~Two Hundred Fifty~~  
23 ~~Dollars (\$250.00)~~ One Thousand Three Hundred Fifty  
24 Dollars (\$1,350.00), there shall be allowed an

1 acquisition charge for making the loan not in excess  
2 of one-tenth (1/10) of the amount of the principal.  
3 In addition thereto, an installment account handling  
4 charge shall be allowed not to exceed ~~Five Dollars and~~  
5 ~~fifty cents (\$5.50)~~ Twenty-nine Dollars and seventy  
6 cents (\$29.70) per month, ~~and~~

7 h. on any loan of an amount in excess of ~~Two Hundred~~  
8 ~~Fifty Dollars (\$250.00)~~ One Thousand Three Hundred  
9 Fifty Dollars (\$1,350.00) but not more than ~~Three~~  
10 ~~Hundred Dollars (\$300.00)~~ One Thousand Six Hundred  
11 Twenty Dollars (\$1,620.00), there shall be allowed an  
12 acquisition charge for making the loan not in excess  
13 of one-tenth (1/10) of the amount of the principal.  
14 In addition thereto, an installment account handling  
15 charge shall be allowed not to exceed ~~Six Dollars~~  
16 ~~(\$6.00)~~ Thirty-two Dollars and forty cents (\$32.40)  
17 per month,

18 i. on any loan of an amount in excess of One Thousand Six  
19 Hundred Twenty Dollars (\$1,620.00) but not more than  
20 Two Thousand Dollars (\$2,000.00), there shall be  
21 allowed an acquisition charge for making the loan not  
22 in excess of one-tenth (1/10) of the amount of  
23 principal. In addition thereto, an installment  
24

1 account handling charge shall be allowed not to exceed  
2 Forty Dollars (\$40.00) per month,

3 j. on any loan of an amount in excess of Two Thousand  
4 Dollars (\$2,000.00) but not more than Two Thousand  
5 Five Hundred Dollars (\$2,500.00), there shall be  
6 allowed an acquisition charge for making the loan not  
7 in excess of one-tenth (1/10) of the amount of  
8 principal. In addition thereto, an installment  
9 account handling charge shall be allowed not to exceed  
10 Fifty Dollars (\$50.00) per month, and

11 k. on any loan of an amount in excess of Two Thousand  
12 Five Hundred (\$2,500.00) but not more than Three  
13 Thousand Dollars (\$3,000.00), there shall be allowed  
14 an acquisition charge for making the loan not in  
15 excess of one-tenth (1/10) of the amount of principal.  
16 In addition thereto, an installment account handling  
17 charge shall be allowed not to exceed Sixty Dollars  
18 (\$60.00) per month.

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

1 eighteen (18) months, and under subparagraphs j and k of paragraph 1  
2 of this section, the maximum terms shall be one (1) month for each  
3 Twenty Dollars (\$20.00) of principal to a maximum term of twenty-  
4 four (24) months.

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

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

1 consolidated, plus any new money advanced, and any delinquency or  
2 deferral charges if due and unpaid, less any unearned acquisition  
3 and installment account handling charges imposed in connection with  
4 loans being refinanced or consolidated.

5 5. On such loans under this section, no insurance charges or  
6 any other charges of any nature whatsoever shall be permitted.

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

22 SECTION 3. This act shall become effective November 1, 2022.  
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24 58-2-3659 MR 3/1/2022 4:18:28 PM