

1 ENGROSSED SENATE
2 BILL NO. 1687

By: Leewright of the Senate

3 and

4 McEntire of the House

5
6 An Act relating to supervised loans; amending 14A
7 O.S. 2021, Section 1-106, which relates to change in
8 dollar amounts; removing section reference;
9 designating dollar amounts subject to change;
10 providing for conditions of changes; amending 14A
11 O.S. 2021, Section 3-508B, which relates to charges
12 for supervised loans; changing amount thresholds;
13 creating additional amount thresholds; providing
14 maximum terms for loan amounts; and providing an
15 effective date.

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

17 SECTION 1. AMENDATORY 14A O.S. 2021, Section 1-106, is
18 amended to read as follows:

19 Section 1-106. (1) From time to time the dollar amounts in
20 paragraphs (a), (b) and (c) of subsection (2) of Section 2-201,
21 paragraph (a) of subsection (1) of Section 2-203, subsection (1) of
22 Section 2-407, Section 2-413, paragraph (b) of subsection (1) of
23 Section 3-203, Section 3-203.1, subsection (4) of Section 3-508A,
24 ~~subsection (1) of Section 3-508B~~, subsection (1) of Section 3-510,
paragraphs (a) and (b) of Section 3-511, Section 3-514, and
subsections (2) and (3) of Section 5-103 of the Uniform Consumer
Credit Code, are hereby designated as subject to change and shall

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

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

22 (3) The designated dollar amounts referenced in subsection (1)
23 of this section shall change on July 1 of each year if the
24 percentage of change, calculated to the nearest whole percentage

1 point, between the Index at the end of the preceding year and the
2 Reference Base Index is ten percent (10%) or more, but:

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

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

12 ~~(3)~~ (4) The designated dollar amounts referenced in subsection
13 (2) of this section shall change on July 1 of each year if the
14 percentage of change, calculated to the nearest whole percentage
15 point, between the Index at the end of the preceding year and the
16 Reference Base Index is one percent (1%) or more, but:

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

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

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

11 ~~+(4)~~ (6) The rules of the Administrator shall:

- 12 (a) include the method for calculating the changes in
13 dollar amounts required by subsection (2) of this
14 section;
- 15 (b) be amended in accordance with the Administrative
16 Procedures Act to include changes in the Index
17 required by subsection (3) of this section including,
18 if applicable, the numerical equivalent of the
19 Reference Base Index under a revised Reference Base
20 Index and the designation or title of any index
21 superseding the Index; and
- 22 (c) provide for appropriate notice to licensees and other
23 interested persons of any changes in the dollar
24 amounts which result from changes required by

subsection (2) of this section no later than April 30 of each year. Each dollar amount subject to change as provided in this section shall be listed in an appendix to the rules of the Administrator and shall be published in the Oklahoma Administrative Code. Changes to the appendix shall be submitted to the Secretary of State prior to the annual deadline for submitting material for publication in the Code. Changes in the appendix shall not be construed as rulemaking.

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

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

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

- a. on any amount up to and including ~~Twenty-nine Dollars and ninety-nine cents (\$29.99)~~ One Hundred Sixty-one Dollars and ninety-five cents (\$161.95), 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, a handling charge may be added at the ratio of ~~One Dollar (\$1.00)~~ Five Dollars and forty cents (\$5.40) for each ~~Five Dollars (\$5.00)~~ Twenty-seven Dollars (\$27.00) of principal,
- b. on any loan in an amount in excess of ~~Twenty-nine Dollars and ninety-nine cents (\$29.99)~~ One Hundred Sixty-one Dollars and ninety-five cents (\$161.95) up to and including the amount of ~~Thirty-five Dollars (\$35.00)~~ One Hundred Eighty-nine Dollars (\$189.00), 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 (\$3.00)~~ Sixteen Dollars and twenty cents (\$16.20) per month,
- c. on any loan of an amount in excess of ~~Thirty-five Dollars (\$35.00)~~ One Hundred Eighty-nine Dollars (\$189.00) but not more than ~~Seventy Dollars (\$70.00)~~ Three Hundred Seventy-eight Dollars (\$378.00), there

1 shall be allowed an acquisition charge for making the
2 loan not in excess of one-tenth (1/10) of the amount
3 of the principal. In addition thereto, an installment
4 account handling charge shall be allowed not to exceed
5 ~~Three Dollars and fifty cents (\$3.50)~~ Eighteen Dollars
6 and ninety cents (\$18.90) per month,

7 d. on any loan of an amount in excess of ~~Seventy Dollars~~
8 ~~(\$70.00)~~ Three Hundred Seventy-eight Dollars (\$378.00)
9 but not in excess of ~~One Hundred Dollars (\$100.00)~~
10 Five Hundred and Forty Dollars (\$540.00), there shall
11 be allowed an acquisition charge for making the loan,
12 not in excess of one-tenth (1/10) of the amount of the
13 principal. In addition thereto, an installment
14 account handling charge shall be allowed not to exceed
15 ~~Four Dollars (\$4.00)~~ Twenty-one Dollars and sixty
16 cents (\$21.60) per month,

17 e. on any loan in an amount in excess of ~~One Hundred~~
18 ~~Dollars (\$100.00)~~ Five Hundred Forty Dollars (\$540.00)
19 up to and including the amount of ~~One Hundred Fifty~~
20 ~~Dollars (\$150.00)~~ Eight Hundred Ten Dollars (\$810.00),
21 there shall be allowed an acquisition charge for
22 making the loan not in excess of one-tenth (1/10) of
23 the amount of the principal. In addition thereto, an
24 installment account handling charge shall be allowed

1 not to exceed ~~Four Dollars and fifty cents (\$4.50)~~
2 Twenty-four Dollars and thirty cents (\$24.30) per
3 month,

4 f. on any loan of an amount in excess of ~~One Hundred~~
5 ~~Fifty Dollars (\$150.00)~~ Eight Hundred Ten Dollars
6 (\$810.00) but not more than ~~Two Hundred Dollars~~
7 ~~(\$200.00)~~ One Thousand Eighty Dollars (\$1,080.00),
8 there shall be allowed an acquisition charge for
9 making the loan not in excess of one-tenth (1/10) of
10 the amount of the principal. In addition thereto, an
11 installment account handling charge shall be allowed
12 not to exceed ~~Five Dollars (\$5.00)~~ Twenty-seven
13 Dollars (\$27.00) per month,

14 g. on any loan of an amount in excess of ~~Two Hundred~~
15 ~~Dollars (\$200.00)~~ One Thousand Eighty Dollars
16 (\$1,080.00) but not more than ~~Two Hundred Fifty~~
17 ~~Dollars (\$250.00)~~ One Thousand Three Hundred Fifty
18 Dollars (\$1,350.00), there shall be allowed an
19 acquisition charge for making the loan not in excess
20 of one-tenth (1/10) of the amount of the principal.
21 In addition thereto, an installment account handling
22 charge shall be allowed not to exceed ~~Five Dollars and~~
23 ~~fifty cents (\$5.50)~~ Twenty-nine Dollars and seventy
24 cents (\$29.70) per month, ~~and~~

1 h. on any loan of an amount in excess of ~~Two Hundred~~
2 ~~Fifty Dollars (\$250.00)~~ One Thousand Three Hundred
3 Fifty Dollars (\$1,350.00) but not more than ~~Three~~
4 ~~Hundred Dollars (\$300.00)~~ One Thousand Six Hundred
5 Twenty Dollars (\$1,620.00), 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 ~~Six Dollars~~
10 ~~(\$6.00)~~ Thirty-two Dollars and forty cents (\$32.40)
11 per month,

12 i. on any loan of an amount in excess of One Thousand Six
13 Hundred Twenty Dollars (\$1,620.00) but not more than
14 Two Thousand Dollars (\$2,000.00), there shall be
15 allowed an acquisition charge for making the loan not
16 in excess of one-tenth (1/10) of the amount of
17 principal. In addition thereto, an installment
18 account handling charge shall be allowed not to exceed
19 Forty Dollars (\$40.00) per month,

20 j. on any loan of an amount in excess of Two Thousand
21 Dollars (\$2,000.00) but not more than Two Thousand
22 Five Hundred Dollars (\$2,500.00), there shall be
23 allowed an acquisition charge for making the loan not
24 in excess of one-tenth (1/10) of the amount of

1 principal. In addition thereto, an installment
2 account handling charge shall be allowed not to exceed
3 Fifty Dollars (\$50.00) per month, and

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

12 2. The maximum term of any loan made under the terms of this
13 section shall be one (1) month for each Ten Dollars (\$10.00) of
14 principal up to a maximum term of eighteen (18) months. Provided,
15 however, that under subparagraphs e through ~~h~~ i of paragraph 1 of
16 this ~~subsection~~ section the maximum terms shall be one (1) month for
17 each Twenty Dollars (\$20.00) of principal up to a maximum term of
18 eighteen (18) months, and under subparagraphs j and k of paragraph 1
19 of this section, the maximum terms shall be one (1) month for each
20 Twenty Dollars (\$20.00) of principal to a maximum term of twenty-
21 four (24) months.

22 3. The minimum term of any loan made under the terms of
23 subparagraphs a through ~~h~~ k of paragraph 1 of this ~~subsection~~
24 section shall be no less than sixty (60) days. Any loan made under

1 the terms of this section shall be scheduled to be payable in
2 substantially equal installments at not less than thirty-day
3 intervals, with the first installment to be scheduled to be due not
4 less than one (1) calendar month after the date such loan is made.

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

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

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

16 SECTION 3. This act shall become effective November 1, 2022.

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1 Passed the Senate the 23rd day of March, 2022.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2022.

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8 _____
9 Presiding Officer of the House
10 of Representatives