

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 58th Legislature (2022)

4 ENGROSSED SENATE
5 BILL NO. 1687

By: Leewright of the Senate

and

McEntire of the House

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

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

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

22 Section 1-106. (1) From time to time the dollar amounts in
23 paragraphs (a), (b) and (c) of subsection (2) of Section 2-201,
24 paragraph (a) of subsection (1) of Section 2-203, subsection (1) of
25 Section 2-407, Section 2-413, paragraph (b) of subsection (1) of
26 Section 3-203, Section 3-203.1, subsection (4) of Section 3-508A,
27 ~~subsection (1) of Section 3-508B~~, subsection (1) of Section 3-510,

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

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

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

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

23 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
24 PENSIONS, dated 04/04/2022 - DO PASS.