

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1687

By: Leewright

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6 AS INTRODUCED

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

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

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

17 Section 1-106. (1) From time to time the dollar amounts in
18 paragraphs (a), (b) and (c) of subsection (2) of Section 2-201,
19 paragraph (a) of subsection (1) of Section 2-203, subsection (1) of
20 Section 2-407, Section 2-413, paragraph (b) of subsection (1) of
21 ~~subsection (1) of Section 3-508B~~, subsection (1) of Section 3-510,
22 paragraphs (a) and (b) of Section 3-511, Section 3-514, and
23 subsections (2) and (3) of Section 5-103 of the Uniform Consumer
24 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
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 shall change on July 1 of
23 each year if the percentage of change, calculated to the nearest
24 whole percentage point, between the Index at the end of the

1 preceding year and the Reference Base Index is ten percent (10%) or
2 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) If the Index is revised, the percentage of change
13 pursuant to this section shall be calculated on the basis of the
14 revised Index. If a revision of the Index changes the Reference
15 Base Index, a revised Reference Base Index shall be determined by
16 multiplying the Reference Base Index then applicable by the rebasing
17 factor furnished by the United States Bureau of Labor Statistics.
18 If the Index is superseded, the Index referred to in this section
19 shall be the one represented by the United States Bureau of Labor
20 Statistics as reflecting most accurately changes in the purchasing
21 power of the dollar for consumers.

22 ~~(4)~~ (5) The rules of the Administrator shall:
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- 1 (a) include the method for calculating the changes in
2 dollar amounts required by subsection (2) of this
3 section;
- 4 (b) be amended in accordance with the Administrative
5 Procedures Act to include changes in the Index
6 required by subsection (3) of this section including,
7 if applicable, the numerical equivalent of the
8 Reference Base Index under a revised Reference Base
9 Index and the designation or title of any index
10 superseding the Index; and
- 11 (c) provide for appropriate notice to licensees and other
12 interested persons of any changes in the dollar
13 amounts which result from changes required by
14 subsection (2) of this section no later than April 30
15 of each year. Each dollar amount subject to change as
16 provided in this section shall be listed in an
17 appendix to the rules of the Administrator and shall
18 be published in the Oklahoma Administrative Code.
19 Changes to the appendix shall be submitted to the
20 Secretary of State prior to the annual deadline for
21 submitting material for publication in the Code.
22 Changes in the appendix shall not be construed as
23 rulemaking.

1 ~~(5)~~ (6) A person does not violate the Uniform Consumer Credit
2 Code with respect to a transaction otherwise complying with the
3 Uniform Consumer Credit Code if he or she relies on dollar amounts
4 either determined according to subsection (2) of this section or
5 appearing in the last rule of the Administrator announcing the then
6 current dollar amounts.

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

9 Section 3-508B. 1. On loans having a principal of ~~Three~~
10 ~~Hundred Dollars (\$300.00)~~ One Thousand Six Hundred and Twenty
11 Dollars (\$1,620.00) or less, a supervised lender may charge in lieu
12 of the loan finance charges specified in Section 3-508A of this
13 title, the following amounts:

- 14 a. on any amount up to and including ~~Twenty-nine Dollars~~
15 ~~and ninety-nine cents (\$29.99)~~ One Hundred Sixty-one
16 Dollars and ninety-five cents (\$161.95), 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, a handling charge may
20 be added at the ratio of ~~One Dollar (\$1.00)~~ Five
21 Dollars and forty cents (\$5.40) for each ~~Five Dollars~~
22 ~~(\$5.00)~~ Twenty-seven Dollars (\$27.00) of principal,
23 b. on any loan in an amount in excess of ~~Twenty-nine~~
24 ~~Dollars and ninety-nine cents (\$29.99)~~ One Hundred

1 Sixty-one Dollars and ninety-five cents (\$161.95) up
2 to and including the amount of ~~Thirty-five Dollars~~
3 ~~(\$35.00)~~ One Hundred Eighty-nine Dollars (\$189.00),
4 there shall be allowed an acquisition charge for
5 making the loan not in excess of one-tenth (1/10) of
6 the amount of the principal. In addition thereto, an
7 installment account handling charge shall be allowed
8 not to exceed ~~Three Dollars (\$3.00)~~ Sixteen Dollars
9 and twenty cents (\$16.20) per month,

10 c. on any loan of an amount in excess of ~~Thirty-five~~
11 ~~Dollars (\$35.00)~~ One Hundred Eight-nine Dollars
12 (\$189.00) but not more than ~~Seventy Dollars (\$70.00)~~
13 Three Hundred Seventy-eight Dollars (\$378.00), there
14 shall be allowed an acquisition charge for making the
15 loan not in excess of one-tenth (1/10) of the amount
16 of the principal. In addition thereto, an installment
17 account handling charge shall be allowed not to exceed
18 ~~Three Dollars and fifty cents (\$3.50)~~ Eighteen Dollars
19 and ninety cents (\$18.90) per month,

20 d. on any loan of an amount in excess of ~~Seventy Dollars~~
21 ~~(\$70.00)~~ Three Hundred Seventy-eight Dollars (\$378.00)
22 but not in excess of ~~One Hundred Dollars (\$100.00)~~
23 Five Hundred and Forty Dollars (\$540.00), there shall
24 be allowed an acquisition charge for making the loan,

1 not in excess of one-tenth (1/10) of the amount of the
2 principal. In addition thereto, an installment
3 account handling charge shall be allowed not to exceed
4 ~~Four Dollars (\$4.00)~~ Twenty-one Dollars and sixty
5 cents (\$21.60) per month,

6 e. on any loan in an amount in excess of ~~One Hundred~~
7 ~~Dollars (\$100.00)~~ Five Hundred Forty Dollars (\$540.00)
8 up to and including the amount of ~~One Hundred Fifty~~
9 ~~Dollars (\$150.00)~~ Eight Hundred Ten Dollars (\$810.00),
10 there shall be allowed an acquisition charge for
11 making the loan not in excess of one-tenth (1/10) of
12 the amount of the principal. In addition thereto, an
13 installment account handling charge shall be allowed
14 not to exceed ~~Four Dollars and fifty cents (\$4.50)~~
15 Twenty-four Dollars and thirty cents (\$24.30) per
16 month,

17 f. on any loan of an amount in excess of ~~One Hundred~~
18 ~~Fifty Dollars (\$150.00)~~ Eight Hundred Ten Dollars
19 (\$810.00) but not more than ~~Two Hundred Dollars~~
20 ~~(\$200.00)~~ One Thousand Eighty Dollars (\$1,080.00),
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 ~~Five Dollars (\$5.00)~~ Twenty-seven
2 Dollars (\$27.00) per month,

3 g. on any loan of an amount in excess of ~~Two Hundred~~
4 ~~Dollars (\$200.00)~~ One Thousand Eighty Dollars
5 (\$1,080.00) but not more than ~~Two Hundred Fifty~~
6 ~~Dollars (\$250.00)~~ One Thousand Three Hundred Fifty
7 Dollars (\$1,350.00), there shall be allowed an
8 acquisition charge for making the loan not in excess
9 of one-tenth (1/10) of the amount of the principal.
10 In addition thereto, an installment account handling
11 charge not to exceed ~~Five Dollars and fifty cents~~
12 ~~(\$5.50)~~ Twenty-nine Dollars and seventy cents (\$29.70)
13 per month, and

14 h. on any loan of an amount in excess of ~~Two Hundred~~
15 ~~Fifty Dollars (\$250.00)~~ One Thousand Three Hundred
16 Fifty Dollars (\$1,350.00) but not more than ~~Three~~
17 ~~Hundred Dollars (\$300.00)~~ One Thousand Six Hundred
18 Twenty Dollars (\$1,620.00), 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 not to exceed ~~Six Dollars (\$6.00)~~ Thirty-two
23 Dollars and forty cents (\$32.40) per month.

1 2. The maximum term of any loan made under the terms of this
2 section shall be one (1) month for each Ten Dollars (\$10.00) of
3 principal up to a maximum term of eighteen (18) months. Provided,
4 however, that under subparagraphs e through h of paragraph 1 of this
5 subsection the maximum terms shall be one (1) month for each Twenty
6 Dollars (\$20.00) of principal up to a maximum term of eighteen (18)
7 months.

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

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

1 the consolidation of loans made under this section, the principal
2 resulting from the refinancing or consolidation is the total of the
3 unpaid balances of the principal of the loans being refinanced or
4 consolidated, plus any new money advanced, and any delinquency or
5 deferral charges if due and unpaid, less any unearned acquisition
6 and installment account handling charges imposed in connection with
7 loans being refinanced or consolidated.

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

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

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

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