

OKLAHOMA STATUTES
TITLE 14A. CONSUMER CREDIT CODE

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§14A-1-101. Short title.

This act shall be known and may be cited as Uniform Consumer Credit Code.

Added by Laws 1969, c. 352, § 1-101, eff. July 1, 1969.

§14A-1-102. Purposes - Rules of construction.

(1) This act shall be liberally construed and applied to promote its underlying purposes and policies.

(2) The underlying purposes and policies of this act are

- (a) to simplify, clarify and modernize the law governing retail installment sales, consumer credit, small loans and usury;
- (b) to provide rate ceilings to assure an adequate supply of credit to consumers;
- (c) to further consumer understanding of the terms of credit transactions and to foster competition among suppliers of consumer credit so that consumers may obtain credit at reasonable cost;
- (d) to protect consumer buyers, lessees, and borrowers against unfair practices by some suppliers of consumer credit, having due regard for the interests of legitimate and scrupulous creditors;
- (e) to permit and encourage the development of fair and economically sound consumer credit practices;
- (f) to conform the regulation of consumer credit transactions to the policies of the Federal Consumer Credit Protection Act; and

(g) to make uniform the law including administrative rules among the various jurisdictions.

(3) A reference to a requirement imposed by this act includes reference to a related rule of the Administrator adopted pursuant to this act.

Added by Laws 1969, c. 352, § 1-102, eff. July 1, 1969.

§14A-1-103. Supplementary general principles of law applicable.

Unless displaced by the particular provisions of this act, the Uniform Commercial Code and the principles of law and equity, including the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, or other validating or invalidating cause, supplement its provisions.

Added by Laws 1969, c. 352, § 1-103, eff. July 1, 1969.

§14A-1-104. Construction against implicit repeal.

This act being a general act intended as a unified coverage of its subject matter, no part of it shall be deemed to be impliedly repealed by subsequent legislation if such construction can reasonably be avoided.

Added by Laws 1969, c. 352, § 1-104, eff. July 1, 1969.

§14A-1-105. Repealed by Laws 1989, c. 154, § 2, operative July 1, 1989.

§14A-1-106. Change in dollar amount used in certain sections.

(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 3-510, 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 change, as provided in this section and the rules of the Administrator, according to and to the extent of changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items, 1967=100, compiled by the Bureau of Labor Statistics, United States Department of Labor, and hereafter referred to as the Index. The Index for December of the year 1973 shall be deemed the Reference Base Index. The dollar amounts established by rule of the Administrator in paragraph (e) of subsection (1) of Section 2-104, paragraph (b) of subsection (1) of Section 2-106 and paragraph (d) of Section 3-104 of the Uniform Consumer Credit Code in effect on January 1, 1982, shall remain in full force and effect.

(2) From time to time, the dollar amounts in subsection (1) of Section 3-508B of the Uniform Consumer Credit Code are hereby designated as subject to change and shall change, as provided in this section and the rules of the Administrator, according to and to the extent of changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items, 1982-84=100, compiled by the Bureau of Labor Statistics, United States Department of Labor, and hereafter referred to as the Index. The Index for December 2020 shall be deemed the Reference Base Index.

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

- (a) the portion of the percentage change in the Index in excess of a multiple of ten percent (10%) shall be disregarded and the dollar amounts shall change only in multiples of ten percent (10%) of the amounts appearing in the Uniform Consumer Credit Code; and
- (b) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to the Uniform Consumer Credit Code as a result of earlier application of this section.

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

- (a) the portion of the percentage change shall change only in multiples of one percent (1%); and
- (b) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to the Uniform Consumer Credit Code as a result of earlier application of this section.

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

(6) The rules of the Administrator shall provide for appropriate notice to licensees and other interested persons of any changes in the dollar amounts which result from changes required by

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.

(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 this section or appearing in the last rule of the Administrator announcing the then current dollar amounts. Added by Laws 1979, c. 109, § 1, emerg. eff. April 25, 1979.

Amended by Laws 1979, c. 152, § 5, emerg. eff. May 9, 1979; Laws 1980, c. 122, § 5, emerg. eff. April 15, 1980; Laws 1982, c. 335, § 1, operative June 1, 1982; Laws 1988, c. 114, § 1, emerg. eff. April 6, 1988; Laws 1998, c. 352, § 2, eff. July 1, 1998; Laws 2002, c. 249, § 1, eff. Nov. 1, 2002; Laws 2006, c. 203, § 1, eff. July 1, 2006; Laws 2014, c. 297, § 1; Laws 2019, c. 178, § 1, eff. Nov. 1, 2019; Laws 2021, c. 142, § 1, eff. Nov. 1, 2021; Laws 2022, c. 207, § 1, eff. Nov. 1, 2022; Laws 2023, c. 110, § 1, emerg. eff. April 28, 2023.

NOTE: Laws 1988, c. 8, § 2 repealed by Laws 1989, c. 353, § 14, emerg. eff. June 3, 1989.

§14A-1-107. Waiver - Agreement to forego rights - Settlement of claims.

(1) Except as otherwise provided in this act, a buyer, lessee or debtor may not waive or agree to forego rights or benefits under this act.

(2) A claim by a buyer, lessee, or debtor against a creditor for an excess charge, other violation of this act, or civil penalty, or a claim against a buyer, lessee, or debtor for default or breach of a duty imposed by this act, if disputed in good faith, may be settled by agreement.

(3) A claim, whether or not disputed, against a buyer, lessee or debtor may be settled for less value than the amount claimed.

Added by Laws 1969, c. 352, § 1-107, eff. July 1, 1969.

§14A-1-108. Effect of act on powers of organizations.

(1) This act prescribes maximum charges for all creditors, except lessors and those excluded (Section 1-202), extending consumer credit including consumer credit sales (Section 2-104), consumer loans (Section 3-104), and consumer related sales and loans (Section 2-602 and Section 3-602), and displaces existing limitations on the powers of those creditors based on maximum charges.

(2) With respect to sellers of goods or services, small loan companies, licensed lenders, consumer and sales finance companies, industrial banks and loan companies, and commercial banks and trust companies, this act displaces existing limitations on their powers based solely on amount or duration of credit.

(3) Except as provided in subsection (1) and in the article on effective date and repealer (Article 9), this act does not displace limitations on powers of credit unions, savings banks, savings and loan associations, or other thrift institutions whether organized for the profit of shareholders or as mutual organization.

(4) Except as provided in subsections (1) and (2) and in the article on effective date and repealer (Article 9), this act does not displace

(a) limitations on powers of supervised financial organizations (subsection (17) of Section 1-301) with respect to the amount of a loan to a single borrower, the ratio of a loan to the value of collateral, the duration of a loan secured by an interest in land, or other similar restrictions designed to protect deposits, or

(b) limitations on powers an organization is authorized to exercise under the laws of this state or the United States.

Added by Laws 1969, c. 352, § 1-108, eff. July 1, 1969.

§14A-1-109. Discrimination in extension of credit on basis of sex or marital status prohibited.

(1) With respect to a "Consumer Credit Sale", "Consumer Lease", or "Consumer Loan", no creditor shall limit or refuse to extend credit solely on the basis of the sex or marital status of the consumer.

(2) The provisions of this section shall be enforced by the Administrator of the Department of Consumer Credit in accordance with his statutory powers and duties.

Added by Laws 1974, c. 95, § 1. Amended by Laws 1979, c. 101, § 1, emerg. eff. April 25, 1979.

§14A-1-110. Use of cash discounts.

With respect to a credit card which may be used for extensions of credit in sales transactions in which the seller is a person other than the card issuer, the card issuer may not, by contract or otherwise, prohibit any such seller from offering a discount to a cardholder to induce the cardholder to pay by cash, check or similar means rather than use a credit card.

Added by Laws 1976, c. 263, § 3, emerg. eff. June 17, 1976.

§14A-1-111. Location of amendments.

Amendments to this title for purposes of complying with the Federal Consumer Credit Protection Act shall be located in Article 3 of this title.

Added by Laws 2013, c. 99, § 1, eff. July 1, 2013.

§14A-1-201. Territorial application.

(1) Except as otherwise provided in this section, the Uniform Consumer Credit Code applies to sales, leases, and loans made in this state and to modifications, including refinancings, consolidations, and deferrals, made in this state, of sales, leases, and loans, wherever made. For purposes of the Uniform Consumer Credit Code:

- (a) a sale or modification of a sale agreement is made in this state if the buyer's agreement or offer to purchase or to modify is received by the seller in this state,
- (b) a lease or modification of a lease agreement is made in this state if the lessee's agreement or offer to lease or to modify is received by the lessor in this state, and
- (c) a loan or modification of a loan agreement is made in this state if a writing signed by the debtor and evidencing the debt is received by the lender in this state.

(2) With respect to sales made pursuant to a revolving charge account (Section 2-108), the Uniform Consumer Credit Code applies if the buyer's communication or indication of his intention to establish the account is received by the seller in this state. If no communication or indication of intention is given by the buyer before the first sale, the Uniform Consumer Credit Code applies if the seller's communication notifying the buyer of the privilege of using the account is mailed or personally delivered in this state.

(3) With respect to loans made pursuant to a lender credit card or similar arrangement (subsection (9) of Section 1-301), the Uniform Consumer Credit Code applies if the debtor's communication or indication of his intention to establish the arrangement with the lender is received by the lender in this state. If no communication or indication of intention is given by the debtor before the first loan, the Uniform Consumer Credit Code applies if the lender's communication notifying the debtor of the privilege of using the arrangement is mailed or personally delivered in this state.

(4) The part on limitations on creditors' remedies (Part 1) of the article on remedies and penalties (Article 5) applies to actions or other proceedings brought in this state to enforce rights arising from consumer credit sales, consumer leases, consumer loans, or extortionate extensions of credit, wherever made.

(5) If a consumer credit sale, consumer lease, or consumer loan, or modification thereof, is made in another state to a person who is a resident of this state when the sale, lease, loan, or modification is made, the following provisions apply as though the transaction occurred in this state:

- (a) a seller, lessor, lender, or assignee of his rights, may not collect charges through actions or other proceedings in excess of those permitted by the article on credit sales (Article 2) or by the article on loans (Article 3), and
- (b) a seller, lessor, lender, or assignee of his rights, may not enforce rights against the buyer, lessee, or debtor, with respect to the provisions of agreements which violate the provisions on limitations on agreements and practices (Part 4) of the article on credit sales (Article 2) or of the article on loans (Article 3).

(6) Except as provided in subsection (4), a sale, lease, loan, or modification thereof, made in another state to a person who was not a resident of this state when the sale, lease, loan, or modification was made is valid and enforceable in this state according to its terms to the extent that it is valid and enforceable under the laws of the state applicable to the transaction.

(7) For the purposes of the Uniform Consumer Credit Code, the residence of a buyer, lessee, or debtor, is the address given by the person as his or her residence in any writing signed by such person in connection with a credit transaction. Until such person notifies the creditor of a new or different address, the given address is presumed to be unchanged.

(8) Notwithstanding other provisions of this section:

- (a) except as provided in subsection (4), the Uniform Consumer Credit Code does not apply if the buyer, lessee, or debtor is not a resident of this state at the time of a credit transaction and the parties then agree that the law of his or her residence applies, and
- (b) the Uniform Consumer Credit Code applies if the buyer, lessee, or debtor is a resident of this state at the time of a credit transaction and the parties then agree that the law of this state applies.

(9) Except as provided in subsection (8), the following agreements by a buyer, lessee, or debtor are invalid with respect to consumer credit sales, consumer leases, consumer loans, or modifications thereof, to which the Uniform Consumer Credit Code applies:

- (a) that the law of another state shall apply,

- (b) that the buyer, lessee, or debtor consents to the jurisdiction of another state, and
- (c) that fixes venue.

(10) The following provisions of the Uniform Consumer Credit Code specify the applicable law governing certain cases:

- (a) applicability (Section 6-102) of the part on powers and functions of administrator (Part 1) of the article on administration (Article 6), and
- (b) applicability (Section 6-201) of the part on notification and fees (Part 2) of the article on administration (Article 6).

(11) Notwithstanding other provisions of this section, the Uniform Consumer Credit Code applies to sales, leases and loans, including modifications, refinancing, consolidations and deferrals thereof, entered into between a resident of this state while in this state, and a seller, lessor, lender or assignee of a seller, lessor or lender via the Internet or any other electronic means.

Added by Laws 1969, c. 352, § 1-201, eff. July 1, 1969. Amended by Laws 2015, c. 319, § 1, eff. Nov. 1, 2015.

§14A-1-201A. Extraterritorial application.

With respect to a consumer credit sale or consumer loan to which this Code does not otherwise apply by reason of Section 1-201, if, pursuant to a solicitation relating to a consumer credit sale or loan received in this state, a person who is a resident of this state sends a signed writing evidencing the obligation or offer of the person to a creditor in another state, and the person receives the goods or services purchased or the cash proceeds of the loan in this state:

1. The creditor may not contract for or receive charges exceeding those permitted by this Code, and such charges as do exceed those permitted are excess charges for purposes of Sections 5-202 (3) and (4) and 6-113 of the Code and such sections shall apply as though the consumer credit sale or consumer loan were made in this state; and

2. The provisions on powers and functions of administrator (Part 1 of Article 6 of this Code) shall apply as though the consumer credit sale or consumer loan were made in this state.

Added by Laws 1975, c. 129, § 1, emerg. eff. May 13, 1975.

§14A-1-202. Exclusions.

This act does not apply to

(1) Extensions of credit to government or governmental agencies or instrumentalities;

(2) The sale of insurance by an insurer, except as otherwise provided in the article on insurance (Article 4);

(3) Transactions under public utility or common carrier tariffs if a subdivision or agency of this state or of the United States regulates the charges for the services involved, the charges for delayed payment and any discount allowed for early payment;

(4) Pawnbrokers engaging in pawn transactions as defined in the Oklahoma Pawnshop Act; or

(5) Loans made to enable the debtor to build or purchase a residence or to refinance such loan when made by a lender whose loans are supervised by an agency of the United States or made by a Federal Housing Administration approved mortgagee unless the loan is made subject to this act by agreement (Section 3-601), and except as provided with respect to disclosure (Section 3-301), debtors' remedies (Section 5-201) and loan finance charges for other loans (Section 3-605).

Added by Laws 1969, c. 352, § 1-202, eff. July 1, 1969. Amended by Laws 1972, c. 255, § 13; Laws 1980, c. 122, § 1, emerg. eff. April 15, 1980; Laws 1982, c. 335, § 2, operative June 1, 1982.

§14A-1-301. General definitions.

In addition to definitions appearing in subsequent articles, in this title:

(1) "Actuarial Method" means the method, defined by rules adopted by the Administrator, of allocating payments made on a debt between principal or amount financed and loan finance charge or credit service charge pursuant to which a payment is applied first to the accumulated loan finance charge or credit service charge and the balance is applied to the unpaid principal or unpaid amount financed.

(2) "Administrator" means the Administrator designated in the article (Article 6) on administration under Section 6-103 of this title.

(3) "Agreement" means the bargain of the parties in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance.

(4) "Agricultural purpose" means a purpose related to the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures the agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.

(5) "Closing costs" with respect to a debt secured by an interest in land includes:

- (a) fees or premiums for title examination, title insurance or similar purposes including surveys;
- (b) fees for preparation of a deed, settlement statement or other documents;
- (c) escrows for future payments of taxes and insurance;
- (d) fees for notarizing deeds and other documents;
- (e) appraisal fees; and
- (f) credit reports.

(6) "Conspicuous": A term or clause is "conspicuous" when it is so written that a reasonable person against whom it is to operate ought to have noticed it. Whether a term or clause is conspicuous or not is for decision by the court.

(7) "Credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(8) "Earnings" means compensation paid or payable to an individual or for the individual's account for personal services rendered or to be rendered by the individual, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension, retirement, or disability program.

(9) "Lender credit card or similar arrangement" means an arrangement or loan agreement, other than a seller credit card, pursuant to which a lender gives a debtor the privilege of using a credit card, letter of credit, or other credit confirmation or identification in transactions out of which debt arises:

- (a) by a lender's honoring a draft or similar order for the payment of money drawn or accepted by the debtor;
- (b) by the lender's payment or agreement to pay the debtor's obligations; or
- (c) by the lender's purchase from the obligee of the debtor's obligations.

- (10) (a) "Subsection 10 mortgage" means a consumer credit transaction that is secured by the consumer's principal dwelling, other than a residential mortgage transaction, a reverse mortgage transaction, or a transaction under an open-end credit plan, if:
- (i) the annual percentage rate at consummation of the transaction will exceed by more than eight (8) percentage points for first-lien loans, or by more than ten (10) percentage points for subordinate-lien loans, the yield on treasury securities having comparable periods of maturity on the fifteenth day of the month immediately preceding the month in which the application for the extension of credit is received by the creditor; or

- (ii) the total points and fees payable by the consumer at or before closing will exceed the greater of:
 - (aa) eight percent (8%) of the total loan amount;
 - or
 - (bb) Four Hundred Dollars (\$400.00).
- (b) After the two-year period beginning on the effective date of the regulations promulgated under Section 155 of the Riegle Community Development and Regulatory Improvement Act of 1994, and no more frequently than biennially after the first increase or decrease under this subsection, the Administrator may by rule increase or decrease the number of percentage points specified in subparagraph (i) of paragraph (a) of this subsection, if the Administrator determines that the increase or decrease is consistent with the consumer protections against abusive lending provided by the amendments made by subtitle B of Title I of the Riegle Community Development and Regulatory Improvement Act of 1994 and is warranted by the need for credit. Such an increase or decrease may not result in the number of percentage points referred to in this subsection being less than eight (8) percentage points or greater than twelve (12) percentage points. In determining whether to increase or decrease the number of percentage points, the Administrator shall consult with representatives of consumers, including low-income consumers, and lenders.
- (c) The amount specified in division (bb) of subparagraph (ii) of paragraph (a) of this subsection shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index, as reported on June 1 of the year preceding such adjustment.
- (d) For purposes of subparagraph (ii) of paragraph (a) of this subsection, points and fees shall include:
 - (i) all items included in the finance charge, except interest or the time-price differential;
 - (ii) all compensation paid to mortgage brokers;
 - (iii) each of the charges listed in 15 U.S.C., Section 1605(e), except an escrow for future payment of taxes, unless:
 - (aa) the charge is reasonable;
 - (bb) the creditor receives no direct or indirect compensation; and
 - (cc) the charge is paid to a third party unaffiliated with the creditor;

- (iv) premiums or other charges for credit life, accident, health, or loss-of-income insurance, or debt-cancellation coverage, whether or not the debt-cancellation coverage is insurance under applicable law, that provides for cancellation of all or part of the consumer's liability in the event of the loss of life, health, or income or in the case of accident, written in connection with the credit transaction; and
 - (v) such other charges as the Administrator determines to be appropriate.
- (e) The provisions of this subsection shall not be construed to limit the rate of interest or the finance charge that a person may charge a consumer for any extension of credit.
- (11) "Official fees" means:
- (a) fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, or satisfying a security interest related to a consumer credit sale, consumer lease, or consumer loan; or
 - (b) premiums payable for insurance in lieu of perfecting a security interest otherwise required by the creditor in connection with the sale, lease, or loan if the premium does not exceed the fees and charges described in paragraph (a) which would otherwise be payable.
- (12) "Organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative or association.
- (13) "Payable in installments" means that payment is required or permitted by agreement to be made in:
- (a) two or more periodic payments, excluding a down payment, with respect to a debt arising from a consumer credit sale pursuant to which a credit service charge is made;
 - (b) four or more periodic payments, excluding a down payment, with respect to a debt arising from a consumer credit sale pursuant to which no credit service charge is made; or
 - (c) two or more periodic payments with respect to a debt arising from a consumer loan.

If any periodic payment other than the down payment under an agreement requiring or permitting two or more periodic payments is more than twice the amount of any other periodic payment, excluding the down payment, the consumer credit sale, consumer lease, or consumer loan is "payable in installments."

(14) "Person" includes a natural person or an individual, and an organization, joint venture or any legal entity however organized.

(15) (a) "Person related to" with respect to an individual means:

- (i) the spouse of the individual;
- (ii) a brother, brother-in-law, sister, sister-in-law of the individual;
- (iii) an ancestor or lineal descendant of the individual or the individual's spouse; and
- (iv) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(b) "Person related to" with respect to an organization means:

- (1) a person directly or indirectly controlling, controlled by or under common control with the organization;
- (2) an officer or director of the organization or a person performing similar functions with respect to the organization or to a person related to the organization;
- (3) the spouse of a person related to the organization; and
- (4) a relative by blood or marriage of a person related to the organization who shares the same home with such person.

(16) "Presumed" or "presumption" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

(17) "Residential mortgage transaction" means a transaction in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the consumer's dwelling to finance the acquisition or initial construction of such dwelling.

(18) "Reverse mortgage transaction" means a nonrecourse transaction in which a mortgage, deed of trust, or equivalent consensual security interest is created against the consumer's principal dwelling:

- (a) securing one or more advances; and
- (b) with respect to which the payment of any principal, interest, and shared appreciation or equity is due and payable (other than in the case of default) only after:

- (i) the transfer of the dwelling;
- (ii) the consumer ceases to occupy the dwelling as a principal dwelling; or
- (iii) the death of the consumer.

(19) "Seller credit card" means an arrangement pursuant to which a person gives to a buyer or lessee the privilege of using a credit card, letter of credit or other credit confirmation or identification primarily for the purpose of purchasing or leasing goods or services from that person, or:

- (a) from a person related to that person;
- (b) from others licensed or franchised to do business under the person's business or trade name or designation; or
- (c) from any other persons with the consent of that person.

(20) "Supervised financial organization" means a person, other than an insurance company or other organization primarily engaged in an insurance business:

- (a) organized, chartered, or holding an authorization certificate under the laws of a state or of the United States which authorizes the person to make loans and to receive deposits, including a savings, share, certificate or deposit account; and
- (b) subject to supervision by an official or agency of this state or the United States other than the Oklahoma Securities Commission.

Added by Laws 1969, c. 352, § 1-301, eff. July 1, 1969. Amended by Laws 2000, c. 217, § 1, eff. July 1, 2000; Laws 2003, c. 330, § 7, eff. Jan. 1, 2004; Laws 2023, c. 110, § 2, emerg. eff. April 28, 2023.

§14A-1-302. Definition: "Federal Consumer Credit Protection Act".

In this title, "Federal Consumer Credit Protection Act" means the Consumer Credit Protection Act (Public Law 90-321; 82 Stat. 146), as amended, including the amendments to the Federal Consumer Credit Protection Act in the Truth in Lending Simplification and Reform Act (Public Law 96-221; 94 Stat. 168-185) and the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 11-203), and includes regulations issued pursuant to those Acts by the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau, as applicable.

Added by Laws 1969, c. 352, § 1-302, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 3, operative Oct. 1, 1982; Laws 2013, c. 99, § 2, eff. July 1, 2013.

§14A-1-303. Index of definitions in act.

Definitions in this title and the sections in which they appear are:

- "Actuarial method" - Section 1-301(1)
- "Administrator" - Section 1-301(2)
- "Administrator" - Section 6-103
- "Agreement" - Section 1-301(3)
- "Agricultural purpose" - Section 1-301(4)
- "Amount financed" - Section 2-111
- "Annual percentage rate" (sale) - Section 2-304(2)
- "Annual percentage rate" (loan) - Section 3-304(2)
- "Cash price" - Section 2-110
- "Closing costs" - Section 1-301(5)
- "Conspicuous" - Section 1-301(6)
- "Consumer credit insurance" - Section 4-103
- "Consumer credit sale" - Section 2-104
- "Consumer lease" - Section 2-106
- "Consumer loan" - Section 3-104
- "Corresponding nominal annual percentage rate" (sale) - Section 2-304(3)
- "Corresponding nominal annual percentage rate" (loan) - Section 3-304(3)
- "Credit" - Section 1-301(7)
- "Credit service charge" - Section 2-109
- "Earnings" - Section 1-301(8)
- "Federal Consumer Credit Protection Act" - Section 1-302
- "Goods" - Section 2-105(1)
- "Home solicitation sale" - Section 2-501
- "Lender" - Section 3-107(1)
- "Lender credit card or similar arrangement" - Section 1-301(9)
- "License" - Section 3-503
- "Loan" - Section 3-106
- "Loan finance charge" - Section 3-109
- "Loan primarily secured by an interest in land" - Section 3-105
- "Merchandise certificate" - Section 2-105(2)
- "Official fees" - Section 1-301(11)
- "Organization" - Section 1-301(12)
- "Payable in installments" - Section 1-301(13)
- "Person" - Section 1-301(14)
- "Person related to" - Section 1-301(15)
- "Precomputed (loan)" - Section 3-107(2)
- "Precomputed (sale)" - Section 2-105(7)
- "Presumed" or "presumption" - Section 1-301(16)
- "Principal" - Section 3-107(3)
- "Residential mortgage transaction" - Section 1-301(17)
- "Reverse mortgage transaction" - Section 1-301(18)
- "Revolving charge account" - Section 2-108
- "Revolving loan account" - Section 3-108

"Sale of goods" - Section 2-105(4)
"Sale of an interest in land" - Section 2-105(6)
"Sale of services" - Section 2-105(5)
"Seller" - Section 2-107
"Seller credit card" - Section 1-301(19)
"Services" - Section 2-105(3)
"Subsection 10 mortgage" - Section 1-301(10)
"Supervised financial organization" - Section 1-301(20)
"Supervised lender" - Section 3-501(2)
"Supervised loan" - Section 3-501(1)

Added by Laws 1969, c. 352, § 1-303, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 4, operative June 1, 1982; Laws 2000, c. 217, § 2, eff. July 1, 2000.

§14A-2-101. Short title.

This article shall be known and may be cited as Uniform Consumer Credit Code - Credit Sales.

Added by Laws 1969, c. 352, § 2-101, eff. July 1, 1969.

§14A-2-102. Scope.

This article applies to consumer credit sales, including home solicitation sales, and consumer leases.

Added by Laws 1969, c. 352, § 2-102, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 5, operative June 1, 1982.

§14A-2-103. Definitions in article.

The following definitions apply to this act and appear in this article as follows:

"Amount financed" - Section 2-111
"Annual percentage rate" - Section 2-304(2)
"Cash price" - Section 2-110
"Consumer credit sale" - Section 2-104
"Consumer lease" - Section 2-106
"Corresponding nominal annual percentage rate" - Section 2-304(3)
"Credit service charge" - Section 2-109
"Goods" - Section 2-105(1)
"Home solicitation sale" - Section 2-501
"Merchandise certificate" - Section 2-105(2)
"Precomputed" - Section 2-105(7)
"Revolving charge account" - Section 2-108
"Sale of goods" - Section 2-105(4)
"Sale of an interest in land" - Section 2-105(6)
"Sale of services" - Section 2-105(5)
"Seller" - Section 2-107
"Services" - Section 2-105(3)

Added by Laws 1969, c. 352, § 2-103, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 6, operative June 1, 1982.

§14A-2-104. Definition: "Consumer credit sale".

(1) Except as provided in subsection (2), "consumer credit sale" is a sale of goods, services or an interest in land in which

- (a) credit is granted by a person who regularly engages as a seller in credit transactions of the same kind;
- (b) the buyer is a person other than an organization;
- (c) the goods, services or interest in land are purchased primarily for a personal, family or household purpose;
- (d) either the debt is payable in installments or a credit service charge is made; and
- (e) with respect to a sale of goods or services, the amount financed does not exceed Fifty Thousand Dollars (\$50,000.00). The dollar amount in this paragraph shall be adjusted annually as indicated by the Consumer Financial Protection Bureau by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as published by the Bureau of Labor Statistics, rounded to the nearest multiple of One Hundred Dollars (\$100.00) or One Thousand Dollars (\$1,000.00) as applicable.

(2) Unless the sale is made subject to the Uniform Consumer Credit Code by agreement (Section 2-601), "consumer credit sale" does not include

- (a) a sale in which the seller allows the buyer to purchase goods or services pursuant to a lender credit card or similar arrangement; or
- (b) except as provided with respect to disclosure (Section 2-301) and debtors' remedies (Section 5-201), a sale of an interest in land if the credit service charge does not exceed thirteen percent (13%) per year calculated according to the actuarial method on the unpaid balances of the amount financed on the assumption that the debt will be paid according to the agreed terms and will not be paid before the end of the agreed term.

Added by Laws 1969, c. 352, § 2-104, eff. July 1, 1969. Amended by Laws 1980, c. 346, § 1, eff. Oct. 1, 1980; Laws 1982, c. 335, § 7, operative June 1, 1982; Laws 2012, c. 172, § 1, eff. July 1, 2012.

§14A-2-105. Definitions: "Goods"; "Merchandise certificate"; "Services"; "Sale of goods"; "Sale of services"; "Sale of an interest in land"; "Precomputed".

(1) "Goods" includes goods not in existence at the time the transaction is entered into and merchandise certificates, but excludes money, chattel paper, documents of title, and instruments.

(2) "Merchandise certificate" means a writing issued by a seller not redeemable in cash and usable in its face amount in lieu of cash in exchange for goods or services.

(3) "Services" includes

(a) work, labor, and other personal services:

(b) privileges with respect to transportation, hotel and restaurant accommodations, education, entertainment, recreation, physical culture, hospital accommodations, funerals, cemetery accommodations, and the like; and

(c) insurance provided by a person other than the insurer.

(4) "Sale of goods" includes any agreement in the form of a bailment or lease of goods if the bailee or lessee agrees to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the goods involved and it is agreed that the bailee or lessee will become, or for no other or a nominal consideration has the option to become, the owner of the goods upon full compliance with his obligations under the agreement.

(5) "Sale of services" means furnishing or agreeing to furnish services and includes making arrangements to have services furnished by another.

(6) "Sale of an interest in land" includes a lease in which the lessee has an option to purchase the interest and all or a substantial part of the rental or other payments previously made by him are applied to the purchase price.

(7) A sale, refinancing, or consolidation is "precomputed" if the debt is expressed as a sum comprising the amount financed and the amount of the credit service charge computed in advance.

Added by Laws 1969, c. 352, § 2-105, eff. July 1, 1969.

§14A-2-106. Definition: "Consumer lease".

(1) "Consumer lease" means a lease of goods

(a) which a lessor regularly engaged in the business of leasing makes to a person, other than an organization, who takes under the lease primarily for a personal, family or household purpose;

(b) in which the amount payable under the lease does not exceed Fifty Thousand Dollars (\$50,000.00). The dollar amount in this paragraph shall be adjusted annually as indicated by the Consumer Financial Protection Bureau by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as published by the Bureau of Labor Statistics, rounded to the nearest multiple of One Hundred Dollars (\$100.00) or One Thousand Dollars (\$1,000.00) as applicable; and

(c) which is for a term exceeding four (4) months.

(2) "Consumer lease" does not include a lease made pursuant to a lender credit card or similar arrangement.
Added by Laws 1969, c. 352, § 2-106, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 8, operative June 1, 1982; Laws 2012, c. 172, § 2, eff. July 1, 2012.

§14A-2-107. Definition: "Seller".

Except as otherwise provided, "seller" includes an assignee of the seller's right to payment but use of the term does not in itself impose on an assignee any obligation of the seller with respect to events occurring before the assignment.

Added by Laws 1969, c. 352, § 2-107, eff. July 1, 1969.

§14A-2-108. Definition: "Revolving charge account".

"Revolving charge account" means an open end credit plan between a seller and a buyer under

(1) which the seller reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and pursuant to which the seller will permit the buyer to purchase goods or services on credit either from the seller or pursuant to a seller credit card; and

(2) which provides for a credit service charge which is not precomputed but is computed on the outstanding unpaid balances of the buyer's account from time to time.

Added by Laws 1969, c. 352, § 2-108, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 9, operative June 1, 1982.

§14A-2-109. Definition: "Credit service charge".

"Credit service charge" means a finance charge composed of the sum of

(1) all charges payable directly or indirectly by the buyer and imposed directly or indirectly by the seller as an incident to the extension of credit, including any of the following types of charges which are applicable: time price differential, service, carrying or other charge, however denominated, premium or other charge for any guarantee or insurance protecting the seller against the buyer's default or other credit loss; and

(2) charges incurred for investigating the collateral or credit worthiness of the buyer or for commissions or brokerage for obtaining the credit, irrespective of the person to whom the charges are paid or payable, unless the seller had no notice of the charges when the credit was granted. The term does not include charges as a result of default, additional charges (Section 2-202), delinquency charges (Section 2-203), deferral charges (Section 2-204), sellers points or charges of a type payable in a comparable cash transaction.

Added by Laws 1969, c. 352, § 2-109, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 10, operative June 1, 1982.

§14A-2-110. Definition: "Cash price".

Except as the Administrator may otherwise prescribe by rule, the "cash price" of goods, services, or an interest in land means the price at which the goods, services, or interest in land are offered for sale by the seller to cash buyers in the ordinary course of business, and may include

(1) applicable sales, use, and excise and documentary stamp taxes;

(2) the cash price of accessories or related services such as delivery, installation, servicing, repairs, alterations, and improvements; and

(3) amounts actually paid or to be paid by the seller for registration, certificate of title, or license fees.

The cash price stated by the seller to the buyer pursuant to the provisions on disclosure (Part 3) of this article is presumed to be the cash price.

Added by Laws 1969, c. 352, § 2-110, eff. July 1, 1969.

§14A-2-111. Definition: "Amount financed".

"Amount financed" means the total of the following items to the extent that payment is deferred:

(1) the cash price of the goods, services, or interest in land, less the amount of any down payment whether made in cash or in property traded in;

(2) the amount actually paid or to be paid by the seller pursuant to an agreement with the buyer to discharge a security interest in or a lien on property traded in; and

(3) if not included in the cash price

(a) any applicable sales, use, or excise and documentary stamp taxes;

(b) amounts actually paid or to be paid by the seller for registration, certificate of title, or license fees; and

(c) additional charges permitted by this article (Section 2-202).

Added by Laws 1969, c. 352, § 2-111, eff. July 1, 1969.

§14A-2-112. Sale of motor vehicles - Taking security in other vehicles.

A seller in a consumer credit sale of a motor vehicle may secure the debt arising from the sale by contracting for a security interest in any other motor vehicle used for the purpose of transportation of persons or property, as well as the motor vehicle which is the subject of the sale. Provided, further, that the

amount of the debt secured by property other than the motor vehicle which is the subject of the sale shall be clearly set forth and when the total debt is reduced to an amount equal to or less than the amount secured by the motor vehicle which is the subject of the sale, a release of the security agreement as to such "other vehicle" will be furnished to the debtor upon request but such partial release shall not impair the security interest on the motor vehicle which was the subject of the sale. The total amount secured by any transaction authorized hereunder cannot exceed the amount of the sale price of the motor vehicle, and further, the seller cannot advance money or other things of value to be included in such consumer transaction.

Laws 1974, c. 255, § 1.

§14A-2-201. Credit service charge for consumer credit sales other than revolving charge accounts.

(1) With respect to a consumer credit sale, other than a sale pursuant to a revolving charge account, a seller may contract for and receive a credit service charge not exceeding that permitted by this section.

(2) The credit service charge, calculated according to the actuarial method, may not exceed the equivalent of the greater of either of the following:

- (a) the total of
 - (i) thirty percent (30%) per year on that part of the unpaid balances of the amount financed which is Three Hundred Dollars (\$300.00) or less;
 - (ii) twenty-one percent (21%) per year on that part of the unpaid balances of the amount financed which is more than Three Hundred Dollars (\$300.00) but does not exceed One Thousand Dollars (\$1,000.00); and
 - (iii) fifteen percent (15%) per year on that part of the unpaid balances of the amount financed which is more than One Thousand Dollars (\$1,000.00); or
- (b) twenty-one percent (21%) per year on the unpaid balances of the amount financed.

(3) This section does not limit or restrict the manner of contracting for the credit service charge, whether by way of add-on, discount, or otherwise, so long as the rate of the credit service charge does not exceed that permitted by this section. If the sale is precomputed

- (a) the credit service charge may be calculated on the assumption that all scheduled payments will be made when due; and
- (b) the effect of prepayment is governed by the provisions on rebate upon prepayment (Section 2-210).

(4) For the purposes of this section, the term of a sale agreement commences with the date the credit is granted or, if goods are delivered or services performed ten (10) days or more after that date, with the date of commencement of delivery or performance. Differences in the lengths of months are disregarded and a day may be counted as one-thirtieth (1/30) of a month. Subject to classifications and differentiations the seller may reasonably establish, a part of a month in excess of fifteen (15) days may be treated as a full month if periods of fifteen (15) days or less are disregarded and that procedure is not consistently used to obtain a greater yield than would otherwise be permitted.

(5) Subject to classifications and differentiations the seller may reasonably establish, he may make the same credit service charge on all amounts financed within a specified range. A credit service charge so made does not violate subsection (2) if

- (a) when applied to the median amount within each range, it does not exceed the maximum permitted by subsection (2); and
- (b) when applied to the lowest amount within each range, it does not produce a rate of credit service charge exceeding the rate calculated according to paragraph (a) by more than eight percent (8%) of the rate calculated according to paragraph (a).

(6) Notwithstanding subsection (2), the seller may contract for and receive a minimum credit service charge of not more than Five Dollars (\$5.00) when the amount financed does not exceed Seventy-five Dollars (\$75.00) or not more than Seven Dollars and fifty cents (\$7.50) when the amount financed exceeds Seventy-five Dollars (\$75.00).

Added by Laws 1969, c. 352, § 2-201, eff. July 1, 1969. Amended by Laws 1981, c. 177, § 1.

§14A-2-202. Additional charges.

(1) In addition to the credit service charge permitted by this part, a seller may contract for and receive the following additional charges in connection with a consumer credit sale:

- (a) official fees that are itemized and disclosed in accordance with rules of the Administrator, reasonable closing costs, and taxes;
- (b) charges for insurance as described in subsection (2);
- (c) charges for other benefits, including insurance, conferred on the buyer, if the benefits are of value to him and if the charges are reasonable in relation to the benefits, are of a type which is not for credit, and are excluded as permissible additional charges from the credit service charge by rule adopted by the Administrator; and

- (d) charges to recover the costs associated with processing applications, including but not limited to cost of services such as credit reports and credit investigations.

(2) An additional charge may be made for insurance written in connection with the sale, other than insurance protecting the seller against the buyer's default or other credit loss,

- (a) with respect to insurance against loss of or damage to property, or against liability, if the seller furnishes a clear and specific statement in writing to the buyer, setting forth the cost of the insurance if obtained from or through the seller, and stating that the buyer may choose the person through whom the insurance is to be obtained; and
- (b) with respect to consumer credit insurance providing life, accident or health coverage, if the insurance coverage is not a factor in the approval by the seller of the extension of credit and this fact is clearly disclosed in writing to the buyer, and if, in order to obtain the insurance in connection with the extension of credit, the buyer gives specific affirmative written indication of his desire to do so after written disclosure to him of the cost thereof.

Added by Laws 1969, c. 352, § 2-202, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 2; Laws 1982, c. 335, § 11, operative June 1, 1982; Laws 1991, c. 331, § 59, eff. Sept. 1, 1991.

§14A-2-202.1. Return of dishonored check, negotiable order of withdrawal or share draft - fee.

The seller may charge and collect from the buyer a fee for each return by a bank or other depository institution of a dishonored check, negotiable order of withdrawal or share draft issued by the buyer in connection with a consumer credit sale. The amount of the fee shall be limited to the amount which the Oklahoma Tax Commission, Service Oklahoma, or a licensed operator may charge and collect pursuant to the provisions of Section 1121 of Title 47 of the Oklahoma Statutes. This fee shall be in addition to all other credit service charges, fees or additional charges which the seller may charge and collect from the buyer under this Code.

Added by Laws 1984, c. 51, § 1, emerg. eff. March 28, 1984. Amended by Laws 2000, c. 114, § 1, eff. Nov. 1, 2000; Laws 2022, c. 282, § 11, emerg. eff. May 19, 2022.

§14A-2-202.2. Over-the-limit charge.

The seller on a revolving charge account accessed by a seller credit card or similar arrangement may contract for and collect from the buyer an over-the-limit charge of Ten Dollars (\$10.00) for each

time the buyer exceeds the designated credit limit on the amount. This charge shall be in addition to all other credit service charges, fees or additional charges which the seller may charge and collect from the buyer under the Uniform Consumer Credit Code, Section 1-101 et seq. of this title.

Added by Laws 1988, c. 35, § 2, operative July 1, 1988. Amended by Laws 1989, c. 122, § 1, eff. July 1, 1989.

§14A-2-203. Delinquency charges.

(1) With respect to a consumer credit sale, refinancing, or consolidation, including a revolving charge account, the parties may contract for a delinquency charge on any installment not paid in full within ten (10) days after its scheduled due date as follows:

- (a) an amount, not exceeding the greater of five percent (5%) of the unpaid portion of the scheduled installment or Five Dollars (\$5.00), subject to adjustment pursuant to Section 1-106 of this title; or
- (b) the deferral charge, as set forth in subsection (1) of Section 2-204 of this title, that would be permitted to defer the unpaid amount of the installment for the period that it is delinquent.

However, a minimum late fee of Five Dollars (\$5.00) may be contracted for by the parties under either paragraph (a) or (b) of this subsection.

(2) A delinquency charge under paragraph (a) of subsection (1) of this section may be collected only once on an installment however long it remains in default. No delinquency charge may be collected if the installment has been deferred and a deferral charge, Section 2-204 of this title, has been paid or incurred. A delinquency charge may be collected at the time it accrues or at any time thereafter.

(3) No delinquency charge may be collected on an installment which is paid in full within ten (10) days after its scheduled installment due date even though an earlier maturing installment or a delinquency charge on an earlier installment may not have been paid in full. For purposes of this subsection payments are applied first to current installments and then to delinquent installments.

(4) With regard to a revolving account, no more than one delinquency charge may be imposed in each billing cycle and it may be collected at any time after it accrues either independently of any payment made on the account or from a payment made if the seller discloses delinquency charges to the buyer on the billing statement.

Added by Laws 1969, c. 352, § 2-203, eff. July 1, 1969. Amended by Laws 1988, c. 35, § 1, operative July 1, 1988; Laws 1989, c. 122, § 2, eff. July 1, 1989; Laws 2000, c. 217, § 3, eff. July 1, 2000; Laws 2002, c. 249, § 2, eff. Nov. 1, 2002.

§14A-2-204. Deferral charges.

(1) With respect to any consumer credit sale, refinancing or consolidation, the parties before or after default may agree in writing to a deferral of all or part of one or more unpaid installments.

(2) With respect to a consumer credit sale, refinancing, or consolidation, which is not precomputed, at the time of deferral the buyer may agree in writing to a deferral charge that the seller may make and collect.

(3) With respect to a precomputed consumer credit sale, refinancing, or consolidation, the seller may make and collect a charge not exceeding the rate previously stated to the buyer pursuant to the provisions on disclosure (Part 3) applied to the amount or amounts deferred for the period of deferral calculated without regard to differences in lengths of months, but proportionally for a part of a month, counting each day as one-thirtieth (1/30) of a month.

(4) A deferral charge may be collected at the time it is assessed or at any time thereafter.

(5) The seller may, in addition to the deferral charge, make appropriate additional charges (Section 2-202). The amount of these additional charges which is not paid in cash may be added to the amount financed. With respect to a precomputed consumer credit sale, refinancing, or consolidation, these additional charges not paid in cash may be considered part of the amount deferred for the purpose of calculating the deferral charge.

(6) The parties may agree in writing at the time of a precomputed consumer credit sale, refinancing, or consolidation that if an installment is not paid within ten (10) days after its due date, the seller may unilaterally grant a deferral and make charges as provided in subsection (3) of this section.

(7) No deferral charge may be made for a period after the date that the seller elects to accelerate the maturity of the agreement, except in circumstances where the seller waives the acceleration and the parties then mutually agree to a deferral.

(8) With respect to a precomputed consumer credit sale, refinancing, or consolidation, a delinquency charge made by the seller on an installment may not be retained if a deferral charge is made pursuant to this section with respect to the period of delinquency.

Added by Laws 1969, c. 352, § 2-204, eff. July 1, 1969. Amended by Laws 2003, c. 65, § 1, emerg. eff. April 10, 2003.

§14A-2-205. Credit service charge on refinancing.

With respect to a consumer credit sale, refinancing, or consolidation, the seller may by agreement with the buyer refinance the unpaid balance and may contract for and receive a credit service charge based on the amount financed resulting from the refinancing at a rate not exceeding that permitted by the provisions on credit service charge for consumer credit sales (Section 2-201). For the purpose of determining the credit service charge permitted, the amount financed resulting from the refinancing comprises the following:

(1) if the transaction was not precomputed, the total of the unpaid balance and accrued charges on the date of refinancing, or, if the transaction was precomputed the amount which the buyer would have been required to pay upon prepayment pursuant to the provisions on rebate upon prepayment (Section 2-210) on the date of refinancing, except that for the purpose of computing this amount no minimum credit service charge (subsection (6) of Section 2-201) shall be allowed; and

(2) appropriate additional charges (Section 2-202), payment of which is deferred.

Added by Laws 1969, c. 352, § 2-205, eff. July 1, 1969.

§14A-2-206. Credit service charge on consolidation.

If a buyer owes an unpaid balance to a seller with respect to a consumer credit sale, refinancing, or consolidation, and becomes obligated on another consumer credit sale, refinancing, or consolidation, with the same seller, the parties may agree to a consolidation resulting in a single schedule of payments pursuant to either of the following subsections:

(1) The parties may agree to refinance the unpaid balance with respect to the previous sale pursuant to the provisions on refinancing (Section 2-205) and to consolidate the amount financed resulting from the refinancing by adding it to the amount financed with respect to the subsequent sale. The seller may contract for and receive a credit service charge based on the aggregate amount financed resulting from the consolidation at a rate not exceeding that permitted by the provisions on credit service charge for consumer credit sale (Section 2-201).

(2) The parties may agree to consolidate by adding together the unpaid balances with respect to the two sales.

Added by Laws 1969, c. 352, § 2-206, eff. July 1, 1969.

§14A-2-207. Credit service charge for revolving charge accounts.

(1) With respect to a consumer credit sale made pursuant to a revolving charge account, the parties to the sale may contract for

the payment by the buyer of a credit service charge not exceeding that permitted in this section.

(2) A charge may be made in each billing cycle which is a percentage of an amount no greater than

- (a) the average daily balance of the account;
- (b) the unpaid balance of the account on the same day of the billing cycle; or
- (c) the median amount within a specified range within which the average daily balance of the account or the unpaid balance of the account on the same day of the billing cycle is included. A charge may be made pursuant to this paragraph only if the seller, subject to classifications and differentiations he may reasonably establish, makes the same charge on all balances within the specified range and if the percentage when applied to the median amount within the range does not produce a charge exceeding the charge resulting from applying that percentage to the lowest amount within the range by more than eight percent (8%) of the charge on the median amount.

(3) If the billing cycle is monthly, the charge may not exceed one and three-fourths percent (1 3/4%). If the billing cycle is not monthly, the maximum charge is that percentage which bears the same relation to the applicable monthly percentage as the number of days in the billing cycle bears to thirty (30). For the purposes of this section, a variation of not more than four (4) days from month to month is "the same day of the billing cycle".

(4) Notwithstanding subsection (3), if there is an unpaid balance on the date as of which the credit service charge is applied, the seller may contract for and receive a charge not exceeding fifty cents (\$0.50), if the billing cycle is monthly or longer, or the pro rata part of fifty cents (\$0.50) which bears the same relation to fifty cents (\$0.50) as the number of days in the billing cycle bears to thirty (30), if the billing cycle is shorter than monthly.

Added by Laws 1969, c. 352, § 2-207, eff. July 1, 1969. Amended by Laws 1981, c. 177, § 2.

§14A-2-208. Advances to perform covenants of buyer.

(1) If the agreement with respect to a consumer credit sale, refinancing, or consolidation contains covenants by the buyer to perform certain duties pertaining to insuring or preserving collateral and the seller pursuant to the agreement pays for performance of the duties on behalf of the buyer, the seller may add the amounts paid to the debt. In the case of covenants as to duties other than the payment of taxes and insuring the collateral, the seller shall give written notice to the buyer setting forth the

duties to be performed and a statement of the amount to be charged for the performance of said duties. Said written notice shall be by certified mail to the last-known address of the buyer, at least thirty (30) days prior to the commencement of the performance of the specified duties, unless otherwise agreed in writing by the seller and the buyer. The buyer, prior to commencement of performance, shall have the option to make alternative arrangements for compliance with the covenants. Within a reasonable time after advancing any sums, he shall state to the buyer in writing the amount of the sums advanced, any charges with respect to this amount, and any revised payment schedule and, if the duties of the buyer performed by the seller pertain to insurance, a brief description of the insurance paid for by the seller including the type and amount of coverages. No further information need be given.

(2) A credit service charge may be made for sums advanced pursuant to subsection (1) at a rate not exceeding the rate stated to the buyer pursuant to the provisions on disclosure (Part 3) with respect to the sale, refinancing, or consolidation, except that with respect to a revolving charge account the amount of the advance may be added to the unpaid balance of the account and the seller may make a credit service charge not exceeding that permitted by the provisions on credit service charge for revolving charge accounts (Section 2-207).

Added by Laws 1969, c. 352, § 2-208, eff. July 1, 1969.

§14A-2-209. Right to prepay.

Subject to the provisions on rebate upon prepayment (Section 2-210), the buyer may prepay in full the unpaid balance of a consumer credit sale, refinancing, or consolidation at any time without penalty.

Added by Laws 1969, c. 352, § 2-209, eff. July 1, 1969.

§14A-2-210. Rebate upon prepayment.

(1) Except as provided in subsection (2), upon prepayment in full of the unpaid balance of a precomputed consumer credit sale, refinancing, or consolidation, an amount not less than the unearned portion of the credit service charge calculated according to this section shall be rebated to the buyer. If the rebate otherwise required is less than One Dollar (\$1.00), no rebate need be made.

(2) Upon prepayment in full of a consumer credit sale, refinancing, or consolidation, other than one pursuant to a revolving charge account, if the credit service charge then earned is less than any permitted minimum credit service charge (subsection (6) of Section 2-201) contracted for, whether or not the sale, refinancing, or consolidation is precomputed, the seller may collect or retain the minimum charge, as if earned, not exceeding the credit service charge contracted for.

(3) Except as otherwise provided in this subsection with respect to a sale of an interest in land or a consumer credit sale secured by an interest in land, the unearned portion of the credit service charge

- (a) in a consumer credit sale payable according to its original terms in more than sixty-one (61) months shall be determined (i) by applying, according to the actuarial method, the disclosed annual percentage rate to the actual unpaid balances of the amount financed for the actual time that the unpaid balances were outstanding as of the date of prepayment, giving effect to each payment, to determine the earned portion of the credit service charge, and (ii) subtracting that earned portion from the credit service charge to determine the unearned portion of the credit service charge, or
- (b) in a consumer credit sale payable according to its original terms in sixty-one (61) months or less, is a fraction of the credit service charge of which the numerator is the sum of the periodic balances scheduled to follow the computational period in which prepayment occurs, and the denominator is the sum of all periodic balances under either the sale agreement or, if the balance owing resulted from a refinancing (Section 2-205) or a consolidation (Section 2-206), under the refinancing agreement or consolidation agreement. In the case of a sale of an interest in land or a consumer credit sale secured by an interest in land, reasonable sums actually paid or payable to persons not related to the seller for customary closing costs included in the credit service charge are deducted from the credit service charge before the calculation prescribed by this subsection is made.

(4) In this section:

- (a) "periodic balance" means the amount scheduled to be outstanding on the last day of a computational period before deducting the payment, if any, scheduled to be made on that day;
- (b) "computational period" means one (1) month if one-half (1/2) or more of the intervals between scheduled payments under the agreement is one (1) month or more, and otherwise means one (1) week;
- (c) the "interval" to the due date of the first scheduled installment or the final scheduled payment date is measured from the date of a sale, refinancing, or consolidation, or any later date prescribed for calculating maximum credit service charges (subsection

(4) of Section 2-201), and includes either the first or last day of the interval; and

(d) if the interval to the due date of the first scheduled installment does not exceed one (1) month by more than fifteen (15) days when the computational period is one (1) month, or eleven (11) days when the computational period is one (1) week, the interval shall be considered as one computational period.

(5) This subsection applies only if the schedule of payments is not regular.

(a) If the computational period is one (1) month and

(i) if the number of days in the interval to the due date of the first scheduled installment is less than one (1) month by more than five (5) days, or more than one (1) month by more than five (5) but not more than fifteen (15) days, the unearned credit service charge shall be increased by an adjustment for each day by which the interval is less than one (1) month and, at the option of the seller, may be reduced by an adjustment for each day by which the interval is more than one (1) month; the adjustment for each day shall be one-thirtieth (1/30) of that part of the credit service charge earned in the computational period prior to the due date of the first scheduled installment assuming that period to be one (1) month; and

(ii) if the interval to the final scheduled payment date is a number of computational periods plus an additional number of days less than a full month, the additional number of days shall be considered a computational period only if sixteen (16) days or more. This subparagraph applies whether or not subparagraph (i) applies.

(b) Notwithstanding paragraph (a), if the computational period is one (1) month, the number of days in the interval to the due date of the first installment exceeds one (1) month by not more than fifteen (15) days, and the schedule of payments is otherwise regular, the seller may, at his option, exclude the extra days and the charge for the extra days in computing the unearned credit service charge; but if he does so and a rebate is required before the due date of the first scheduled installment, he shall compute the earned charge for each elapsed day as one-thirtieth (1/30) of the amount the earned charge would

have been if the first interval had been one (1) month.

- (c) If the computational period is one (1) week and
 - (i) if the number of days in the interval to the due date of the first scheduled installment is less than five (5) days, or more than nine (9) but not more than eleven (11) days, the unearned credit service charge shall be increased by an adjustment for each day by which the interval is less than seven (7) days and, at the option of the seller may be reduced by an adjustment for each day by which the interval is more than seven (7) days; the adjustment for each day shall be one-seventh (1/7) of that part of the credit service charge earned in the computational period prior to the due date of the first scheduled installment assuming that period to be one (1) week; and
 - (ii) if the interval to the final scheduled payment date is a number of computational periods plus an additional number of days less than a full week, the additional number of days shall be considered a computational period only if four (4) days or more. This subparagraph applies whether or not subparagraph (i) applies.

(6) If a deferral (Section 2-204) has been agreed to, the unearned portion of the credit service charge shall be computed without regard to the deferral. The amount of deferral charge earned at the date of prepayment shall also be calculated. If the deferral charge earned is less than the deferral charge paid, the difference shall be added to the unearned portion of the credit service charge. If any part of a deferral charge has been earned but has not been paid, that part shall be subtracted from the unearned portion of the credit service charge, or shall be added to the unpaid balance.

(7) This section does not preclude the collection or retention by the seller of delinquency charges (Section 2-203).

(8) If the maturity is accelerated for any reason and judgment is obtained, the buyer is entitled to the same rebate as if payment had been made on the date judgment is entered.

(9) Upon prepayment in full of a consumer credit sale by the proceeds of consumer credit insurance (Section 4-103), the buyer or his estate is entitled to the same rebate as though the buyer had prepaid the agreement on the date the proceeds of the insurance are paid to the seller.

Added by Laws 1969, c. 352, § 2-210, eff. July 1, 1969. Amended by Laws 1986, c. 282, § 1, eff. Nov. 1, 1986; Laws 1986, c. 282, § 1, eff. Nov. 1, 1986.

§14A-2-211. Discounts inducing payment by cash, check or similar means.

A. With respect to all sales transactions, a discount which a seller offers, allows or otherwise makes available for the purpose of inducing payment by cash, check or similar means rather than by use of an open-end credit card account shall not constitute a credit service charge as determined under Section 2-109 of this title if the discount is offered to all prospective buyers clearly and conspicuously in accordance with regulations of the Administrator of Consumer Affairs. No seller in any sales transaction may impose a surcharge on a cardholder who elects an open-end credit card or debit card account instead of paying by cash, check or similar means. There is no limit on the discount which may be offered by the seller. A seller who provides a discount otherwise than in accordance with the regulations of the Administrator must make the disclosures required by those regulations.

B. A seller who is registered with the United States Treasury Department as a money transmitter pursuant to 31 CFR, Section 103.41, and who provides an electronic funds transmission service, including service by telephone and the Internet, may charge a different price for a funds transmission service based on the mode of transmission used in the transaction without violating this section so long as the price charged for a service paid for with an open-end credit card or debit card account is not greater than the price charged for such service if paid for with currency or other similar means accepted within the same mode of transmission.

C. Any seller subject to the provisions of subsection B of this section shall either conduct business at a location in this state or comply with the provisions of Section 1022 of Title 18 of the Oklahoma Statutes.

D. As used in this section, "debit card" means any instrument or device, whether known as a debit card or by any other name, issued with or without fee by an issuer for the use of the cardholder in depositing, obtaining or transferring funds from a consumer banking electronic facility.

E. For purposes of this section, a private educational institution as defined in paragraph (e) of Section 3102 of Title 70 of the Oklahoma Statutes, a private school defined as a nonpublic entity conducting an educational program for at least one grade between prekindergarten through twelve, a municipality as defined in paragraph 5 of Section 1-102 of Title 11 of the Oklahoma Statutes or a public trust with a municipality as its beneficiary may charge a service fee. The service fee shall be limited to bank processing

fees and financial transaction fees, the cost of providing for secure transaction, portal fees, and fees necessary to compensate for increased bandwidth incurred as a result of providing for an online transaction.

Added by Laws 1977, c. 135, § 1, emerg. eff. June 3, 1977. Amended by Laws 1982, c. 335, § 12, operative June 1, 1982; Laws 2005, c. 126, § 1, eff. Nov. 1, 2005; Laws 2010, c. 69, § 1, eff. Nov. 1, 2010; Laws 2012, c. 221, § 1; Laws 2015, c. 319, § 2, eff. Nov. 1, 2015; Laws 2017, c. 31, § 1, eff. Nov. 1, 2017.

§14A-2-301. Applicability - Information required.

(1) For purposes of this part, this part covers and consumer credit sale includes the sale of an interest in land without regard to the rate of the credit service charge if the sale is otherwise a consumer credit sale as defined by Section 2-104 of this title; a sale of personal property in which a security interest is or will be acquired which is used or expected to be used as the principal dwelling of the consumer without regard to the amount of the amount financed if the sale is otherwise a consumer credit sale; and credit transactions in which any card issuer extends credit that is not subject to a finance charge and that is not payable by written agreement in four or more installments.

(2) The seller or lessor shall disclose to the buyer to whom credit is extended or lessee with respect to a consumer credit sale or consumer lease the information required by either this part or the Federal Consumer Credit Protection Act, and compliance with either is sufficient.

(3) For the purposes of subsection (2), information which would otherwise be required pursuant to the Federal Consumer Credit Protection Act is sufficient even though the transaction is one of a class of credit transactions exempted from that act pursuant to regulation of the Board of Governors of the Federal Reserve System.

(4) A person who regularly arranges for the extension of consumer sales credit which is payable in four or more installments or for which the payment of a finance charge is or may be required from persons who are not subject to disclosure duties shall make the disclosures required of a seller under this part.

(5) In the case of an application to open an account under any revolving charge account plan described in Section 2-310.2 of this title which is provided to a consumer by any person other than the creditor:

- (a) such person shall provide such consumer with:
 - (i) the disclosures required under subsection (1) of Section 2-310.2 of this title with respect to such plan, in accordance with subsection (9) of Section 2-302 of this title; and

- (ii) the pamphlet required under subsection (3) of Section 2-310.2 of this title; or
- (b) if such person cannot provide specific terms about the plan because specific information about the plan terms is not available, no nonrefundable fee may be imposed in connection with such application before the end of the three-day period beginning on the date the consumer receives the disclosures required under subsection (1) of Section 2-310.2 with respect to the application.

(6) For purposes of this part, the terms "creditor", "card issuer", "applicant", "cardholder", "dwelling" and "consumer" have the same meanings those terms have in the Federal Consumer Credit Protection Act, as limited by the subject matter of this article. References in this part to "interest" are not limited to the definition of that term in Section 264A of Title 15 of the Oklahoma Statutes but are to be construed in context consistently with the meaning of that term in regulations under the Federal Consumer Credit Protection Act.

(7) The fact a charge or fee or a credit plan or a practice is mentioned in this part does not itself serve to authorize it, to remove any limitation in this title applicable to it, or to extend the applicability of this article to it if this article would not otherwise apply.

Added by Laws 1969, c. 352, § 2-301, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 3; Laws 1982, c. 335, § 13, operative Oct. 1, 1982; Laws 1990, c. 260, § 13, operative July 1, 1990.

§14A-2-301.1. Federal Consumer Credit Protection Act disclosure.

Effective July 1, 2014, the seller or lessor shall disclose to the buyer to whom credit is extended or lessee with respect to a consumer credit sale or consumer lease the information required by the Federal Consumer Credit Protection Act as defined in Section 1-302 of Title 14A of the Oklahoma Statutes.

Added by Laws 2014, c. 159, § 1, eff. July 1, 2014.

§14A-2-302. Repealed by Laws 2014, c. 159, § 4, eff. July 1, 2014.

§14A-2-303. Overstatement.

The disclosure of an amount or percentage which is greater than the amount or percentage required to be disclosed under this part does not in itself constitute a violation of this part if the overstatement is not materially misleading and is not used to avoid meaningful disclosure.

Added by Laws 1969, c. 352, § 2-303, eff. July 1, 1969.

§14A-2-304. Calculation of rate to be disclosed.

(1) Except as otherwise specifically provided, if a seller is required to give to a buyer a statement of the rate of the credit service charge he shall state the rate in terms of an annual percentage rate as defined in subsection (2) or in terms of a corresponding nominal annual percentage rate as defined in subsection (3), whichever is appropriate.

(2) "Annual percentage rate"

- (a) with respect to a consumer credit sale other than one made pursuant to a revolving charge account, is either
 - (i) that nominal annual percentage rate which, when applied to the unpaid balances of the amount financed calculated according to the actuarial method, will yield a sum equal to the amount of the credit service charge; or
 - (ii) that rate determined by any method prescribed by rule by the Administrator as a method which materially simplifies computation while retaining reasonable accuracy as compared with the rate determined pursuant to subparagraph (i);
- (b) with respect to a consumer credit sale made pursuant to a revolving charge account, is the quotient expressed as a percentage of the total credit service charge for the period to which it related divided by the amount upon which the credit service charge for that period is based, multiplied by the number of these periods in a year.

(3) "Corresponding nominal annual percentage rate" is the percentage or percentages used to calculate the credit service charge for one billing cycle or other period pursuant to a revolving charge account multiplied by the number of billing cycles or periods in a year.

(4) If a seller is permitted to make the same credit service charge for all amounts financed within a specified range (subsection (5) of Section 2-201) or for all balances within a specified range (subsection (2) of Section 2-207), he shall state the annual percentage rate or corresponding nominal annual percentage rate, whichever is appropriate, as applied to the median amount of the range within which the actual amount financed or balance is included.

(5) A statement of rate complies with this part if it does not vary from the accurately computed rate by more than the following tolerances:

- (a) the annual percentage rate may be rounded to the nearest quarter of one percent ($1/4$ of 1%) or may fall within a tolerance not greater than one-eighth of one percent ($1/8$ of 1%) more or less than the actual rate for consumer credit sales payable in substantially

equal installments when a seller determines the total credit service charge on the basis of a single add-on, discount, periodic, or other rate, and the rate is converted into an annual percentage rate under procedures prescribed by rule by the Administrator;

- (b) the Administrator may authorize by rule the use of rate tables or charts which may provide for the disclosure of annual percentage rates which vary from the rate determined in accordance with paragraph (a) by not more than the tolerances the Administrator may allow; the Administrator may not allow a tolerance greater than eight percent (8%) of that rate except to simplify compliance where irregular payments are involved; and
- (c) in case a seller determines the annual percentage rate in a manner other than as described in paragraph (a) or (b), the Administrator may authorize by rule other reasonable tolerances.

Added by Laws 1969, c. 352, § 2-304, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 15, operative Oct. 1, 1982.

§14A-2-305. Sales made by telephone or mail.

(1) With respect to a consumer credit sale, other than a sale made pursuant to a revolving charge account, if the seller receives a purchase order or offer by mail or telephone without personal solicitation, the seller complies with this part if (a) he makes the disclosures at the time and in the manner provided in the general disclosure requirements and provisions (Section 2-302), or (b) the seller's catalog or other printed material distributed to the public sets forth the cash price, the total sale price, and the terms of financing, including the annual percentage rate, and before the first payment is due on the sale, he gives the information required by this part including the notice prescribed in subsection (2).

(2) The notice shall be in writing and conspicuous and shall provide that if the buyer does not wish to make the purchase on credit, he, within fifteen (15) days after receiving the notice, may prepay the obligation as to that purchase for an amount stated or identified in the notice and avoid the payment of any credit service charge as to that purchase. A prepayment under this section is subject to the provisions of this act on prepayment, except that no credit service charge shall be made if prepayment in full is made within the period specified in the notice. Payment by mail is effective when posted.

Added by Laws 1969, c. 352, § 2-305, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 16, operative Oct. 1, 1982.

§14A-2-306. Consumer credit sales not pursuant to revolving charge account.

(1) This section applies to a consumer credit sale not made pursuant to a revolving charge account (Section 2-310).

(2) The seller shall give to the buyer the following information:

(a) the identity of the seller required to make disclosure;

(b) (i) the amount financed, using that term, which shall be the amount of credit of which the buyer has actual use. This amount shall be computed as follows, but the computations need not be disclosed and shall not be disclosed with the disclosures required to be conspicuously segregated in accordance with the rule of the Administrator. (aa) Take the cash price of the goods, services, or interest in land less the amount of the down payment paid in money and the portion paid by an allowance for property traded in; (bb) add any charges which are not part of the finance charge, or of the cash price and which are financed by the buyer, including the cost of any items excluded from the finance charge pursuant to Section 2-202; and (cc) subtract any charges which are part of the finance charge but which will be paid by the buyer before or at the time of the consummation of the transaction or have been withheld from the proceeds of the credit.

(ii) In conjunction with the disclosure of the amount financed, a seller shall provide a statement of the buyer's right to obtain, upon a written request, a written itemization of the amount financed. The statement shall include spaces for a "yes" and "no" indication to be initialed by the buyer to indicate whether the buyer wants a written itemization of the amount financed. Upon receiving an affirmative indication, the seller shall provide, at the time other disclosures are required to be furnished, a written itemization of the amount financed. For this purpose, itemization of the amount financed means a disclosure to the extent applicable of: (aa) any amount that is or will be paid directly to the buyer, (bb) the amount that is or will be credited to the buyer's account to discharge obligations owed to the seller, (cc) each amount

that is or will be paid to third persons by the seller on the buyer's behalf, together with an identification of or reference to the third person, and (dd) the total amount of any charges described in the preceding subparagraph (i) (cc).

- (c) the finance charge not itemized, using that term;
- (d) the finance charge expressed as an "annual percentage rate" using that term except in the case of a finance charge which does not exceed Five Dollars (\$5.00) when the amount financed does not exceed Seventy-five Dollars (\$75.00) or Seven Dollars and fifty cents (\$7.50) when the amount financed exceeds Seventy-five Dollars (\$75.00);
- (e) the sum of the amount financed and the finance charge, which shall be termed the "total of payments";
- (f) the number, amount, and due dates or period of payments scheduled to repay the total of payments;
- (g) the "total sale price" using that term, which shall be the total of the cash price of the property or services, additional charges, and the finance charge;
- (h) descriptive explanations of the terms "amount financed", "finance charge", "annual percentage rate", "total of payments", and "total sale price", including in the latter case a reference to the amount of the down payment, as specified in the rules of the Administrator;
- (i) any dollar charge or percentage amount which may be imposed by the seller solely on account of late payments other than a deferral or extension charge;
- (j) where the credit is secured, a statement that a security interest has been taken in the property which is purchased as part of the credit transaction, or property not purchased as part of the credit transaction identified by item or type;
- (k) a statement indicating whether or not the buyer is entitled to a rebate of any finance charge upon refinancing or prepayment in full pursuant to acceleration or otherwise if the obligation involves a precomputed finance charge, and a statement indicating whether or not a penalty will be imposed in those same circumstances if the obligation involves a finance charge computed from time to time by application of a rate to the unpaid principal balance;
- (l) a statement that the buyer should refer to the appropriate contract document for any information the document provides about nonpayment, default, the right

to accelerate the maturity of the debt, and prepayment rebates and penalties; and

- (m) in any transaction in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the buyer's dwelling to finance the acquisition or initial construction of the dwelling, a statement indicating whether a subsequent purchaser or assignee of the buyer may assume the debt obligation on its original terms and conditions.

Added by Laws 1969, c. 352, § 2-306, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 4; Laws 1982, c. 335, § 17, operative Oct. 1, 1982.

§14A-2-307. Refinancing.

(1) Except as rules adopted by the Administrator not inconsistent with the Federal Consumer Credit Protection Act may otherwise prescribe, if the seller refinances an existing balance owing with respect to a consumer credit sale, refinancing or consolidation pursuant to the provisions on refinancing (Section 2-205) or consolidates an existing balance owing from a previous consumer credit sale, refinancing, or consolidation with the amount financed from a subsequent consumer credit sale, refinancing, or consolidation so as to satisfy any existing balance and replace it with a new obligation undertaken by the same buyer, the seller shall make disclosure with respect to the new transaction to the buyer of the information and in the manner required by this part.

(2) A refinancing does not include:

- (a) a renewal of a single payment obligation with no change in the original terms;
- (b) a reduction in the annual percentage rate with a corresponding change in the payment schedule;
- (c) an agreement involving a court proceeding;
- (d) a change in the payment schedule or a change in collateral requirements as a result of the buyer's default or delinquency, unless the rate is increased or the new amount financed exceeds the unpaid balance plus earned finance charge and premiums for continuation of consumer credit insurance or insurance against loss of or damage to property or against liability arising out of the ownership or use of property; or
- (e) the renewal of optional insurance purchased by the buyer and added to an existing transaction if disclosures relating to the initial purchase were provided in accordance with law.

Added by Laws 1969, c. 352, § 2-307, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 18, operative Oct. 1, 1982.

§14A-2-308. Assumption.

If a seller expressly agrees in writing with a subsequent buyer to accept that buyer as a primary obligor on an existing transaction in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest was created or retained in the original buyer's principal dwelling to finance the acquisition or initial construction of it, before the assumption occurs the seller shall make new disclosures to the subsequent buyer based on the remaining obligation. If the finance charge originally imposed on the existing obligation was an add-on or discount finance charge, the seller need only disclose the unpaid balance of the obligation assumed; the total charges imposed by the seller in connection with the assumption; the information required in the case of new disclosures concerning prepayment, late payment, security interests and to exclude premiums for consumer credit and property and liability insurance from the finance charge; the annual percentage rate originally imposed on the obligation; and the payment schedule and total of payments based on the remaining obligation.

Added by Laws 1969, c. 352, § 2-308, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 19, operative Oct. 1, 1982.

§14A-2-309. Estimates of disclosures.

(1) In the case of a transaction in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained in the buyer's principal dwelling to finance the acquisition or initial construction of that dwelling, if that transaction is also subject to the Real Estate Settlement Procedures Act, 12 U.S.C. Sections 2601 et seq., good faith estimates of the disclosures required by this part shall be made in accordance with the rules of the Administrator concerning estimates before the credit is extended, or shall be delivered or placed in the mail not later than three (3) business days after the seller receives the buyer's written application, whichever is earlier. If the disclosure statement furnished within three (3) days of the written application contains an annual percentage rate which is subsequently rendered inaccurate within the meaning of Section 2-304(5) (a) and (c), the seller shall furnish another statement at the time of settlement or consummation.

(2) If a consumer credit sale is one of a series of consumer credit sales transactions made pursuant to an agreement providing for the addition of the deferred payment price of that sale to an existing outstanding balance, and the buyer has approved in writing

both the annual percentage rate or rates and the method of computing the finance charge or charges, and the seller retains no security interest in any property as to which payments aggregating the amount of the sales price including any finance charges attributable thereto have been received, the disclosure required under this part for the particular sale may be made at any time not later than the date the first payment for that sale is due. For the purpose of this subsection, in the case of items purchased on different dates, the first purchased shall be deemed first paid for, and in the case of items purchased on the same date, the lowest priced shall be deemed first paid for.

Added by Laws 1969, c. 352, § 2-309, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 20, operative Oct. 1, 1982.

§14A-2-310. Revolving charge accounts.

(1) Before opening any account under a revolving charge account plan, the creditor shall give to the consumer the following information:

- (a) conditions under which a credit service charge may be made, including the time period, if any, within which any credit extended may be repaid without incurring a credit service charge, except that the creditor may, at his election and without disclosure, impose no such credit service charge if payment is received after the termination of such period. If no time period is provided, the creditor shall disclose that fact;
- (b) method of determining the balance upon which a credit service charge will be computed;
- (c) method of determining the amount of the credit service charge, including any minimum or fixed amount imposed as a finance charge, and where one or more periodic rates may be used to compute the credit service charge, each such rate and the range of balances to which it is applicable;
- (d) corresponding nominal annual percentage rate pursuant to subsection (3) of Section 2-304 of this title; if more than one corresponding nominal annual percentage rate may be used, each corresponding nominal annual percentage rate shall be stated;
- (e) identification of additional charges which may be made and the method by which they will be determined;
- (f) in cases where the creditor may retain or acquire a security interest in property to secure the balances resulting from credit extensions made pursuant to the revolving charge account, a statement that a security interest has been or will be taken in the property purchased as part of the credit transaction, or

property not purchased as part of the credit transaction identified by item or type;

- (g) a statement in a form prescribed by and describing the protection provided by Sections 161 and 170 of the Federal Consumer Credit Protection Act to an obligor and the responsibilities of a creditor under Sections 162 and 170 of the Federal Consumer Credit Protection Act; and
- (h) in the case of any account under a revolving charge account plan which provides for any extension of credit which is secured by the consumer's principal dwelling, any information which:
 - (i) is required to be disclosed under subsection (1) of Section 2-310.2 of this title; and
 - (ii) the Administrator determines is not described in any other paragraph of this subsection.

(2) If there is an outstanding balance at the end of the billing cycle or if a credit service charge is made with respect to the billing cycle, the creditor shall give to the consumer the following information within a reasonable time after the end of the billing cycle:

- (a) outstanding balance at the beginning of the billing cycle;
- (b) amount and date of each extension of credit during the billing cycle and a brief identification of each extension of credit on or accompanying the statement in a form prescribed by regulations of the Administrator to enable the consumer to identify the transaction, or relate it to copies of sale vouchers or similar instruments previously furnished; except that a creditor's failure to disclose information in accordance with this paragraph shall not be deemed a failure to comply with this part if the creditor maintains procedures reasonably adapted to procure and provide such information and the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount in accordance with Section 161 of the Federal Consumer Credit Protection Act. In lieu of complying with the requirements of the previous sentence, and to the extent permitted by rules of the Administrator, in the case of any transaction in which the creditor and the person responsible for providing disclosure are the same as defined by the Administrator and the person's revolving charge account plan has fewer than fifteen thousand (15,000) accounts, the creditor may elect to provide only the

amount and date of each extension of credit during the billing cycle and the seller's name and location where the transaction took place if a brief identification of the transaction has been previously furnished and the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount in accordance with Section 161 of the Federal Consumer Credit Protection Act.

- (c) amount credited to the account during the billing cycle;
- (d) amount of credit service charge debited during the billing cycle, with an itemization or explanation to show the total amount of credit service charge, if any, due to the application of one or more periodic percentages and the amount, if any, imposed as a minimum or fixed charge;
- (e) the periodic percentage used to calculate the credit service charge; if more than one periodic percentage is used, each percentage and the amount of the balance to which each applies shall be disclosed;
- (f) the balance on which the credit service charge is computed and a statement of how the balance is determined; if the balance is determined without first deducting all amounts credited during the period, that fact and the amounts credited shall also be stated;
- (g) if the credit service charge for the billing cycle exceeds fifty cents (\$0.50) for a monthly or longer billing cycle, or the pro rata part of the fifty cents (\$0.50) for a billing cycle shorter than monthly, the credit service charge expressed as an annual percentage rate pursuant to paragraph (b) of subsection (2) of Section 2-304 of this title; if more than one periodic percentage is used to calculate the credit service charge, the creditor, in lieu of stating a single annual percentage rate, may state more than one annual percentage rate and the amount of the balance to which each annual percentage rate applies;
- (h) if the credit service charge for the billing cycle does not exceed fifty cents (\$0.50) for a monthly or longer billing cycle, or the pro rata part of fifty cents (\$0.50) for a billing cycle shorter than monthly, the corresponding nominal annual percentage rate pursuant to subsection (3) of Section 2-304 of this title;
- (i) outstanding balance at the end of the billing cycle;

- (j) date by which or period, if any, within which payment must be made to avoid additional credit service charges, except that the creditor may, at his election and without disclosure, impose no such additional credit service charge if payment is received after such date or the termination of such period; and
- (k) address to be used by the creditor for the purpose of receiving billing inquiries.

Added by Laws 1969, c. 352, § 2-310, eff. July 1, 1969. Amended by Laws 1976, c. 263, § 1, emerg. eff. June 17, 1976; Laws 1982, c. 335, § 21, operative Oct. 1, 1982; Laws 1990, c. 260, § 15, operative July 1, 1990.

§14A-2-310.1. Disclosure in credit and charge card applications and solicitation.

Disclosure in credit and charge card applications and solicitation.

(1) Any application to open a credit card account for any person under a revolving charge account plan, or a solicitation to open such an account without requiring an application that is mailed to consumers shall disclose the following information, subject to subsection (8) of this section and subsections (5) through (8) of Section 2-302 of this title.

- (a) Each annual percentage rate applicable to extensions of credit under such credit plan.
- (b) Where an extension of credit is subject to a variable rate, the fact that the rate is variable, the annual percentage rate in effect at the time of the mailing, and how the rate is determined.
- (c) Where more than one rate applies, the range of balances to which each rate applies.
- (d) Any annual fee, other periodic fee, or membership fee imposed for the issuance or availability of a credit card, including any account maintenance fee or other charge imposed based on activity or inactivity for the account during the billing cycle.
- (e) Any minimum finance charge imposed for each period during which any extension of credit which is subject to a finance charge is outstanding.
- (f) Any transaction charge imposed in connection with use of the card to purchase goods or services.
- (g) The date by which or the period within which any credit extended under such credit plan for purchases of goods or services must be repaid to avoid incurring a credit service charge, and, if no such period is offered, such fact shall be clearly stated.

- (h) If the length of such "grace period" varies, the card issuer may disclose the range of days in the grace period, the minimum number of days in the grace period, or the average number of days in the grace period, if the disclosure is identified as such.
- (i) The name of the balance calculation method used in determining the balance on which the credit service charge is computed if the method used has been defined by the Administrator, or a detailed explanation of the balance calculation method used if the method has not been so defined.
- (j) In prescribing rules to carry out the requirement of paragraph (i) of this subsection, the Administrator shall define and name not more than the five (5) balance calculation methods determined by the Administrator to be the most commonly used methods.

(2) In addition to the information required to be disclosed under subsection (1) of this section each application or solicitation to which such subsection applies shall disclose clearly and conspicuously the following information, subject to subsections (8) and (9) of this section:

- (a) Any fee imposed for an extension of credit in the form of cash.
 - (b) Any fee imposed for a late payment.
 - (c) Any fee imposed in connection with an extension of credit in excess of the amount of credit authorized to be extended with respect to such account.
- (3) (a) In any telephone solicitation to open a credit card account for any person under a revolving charge account plan, the person making the solicitation shall orally disclose the information described in subsection (1) of this section.
- (b) Paragraph (a) of this subsection shall not apply to any telephone solicitation if:
- (i) the credit card issuer:
 - (aa) does not impose any fee described in paragraph (d) of subsection (1) of this section, or
 - (bb) does not impose any fee in connection with telephone solicitations unless the consumer signifies acceptance by using the card;
 - (ii) the card issuer discloses clearly and conspicuously in writing the information described in subsections (1) and (2) of this section within thirty (30) days after the consumer requests the card, but in no event later than the date of delivery of the card; and

- (iii) the card issuer discloses clearly and conspicuously that the consumer is not obligated to accept the card or account and the consumer will not be obligated to pay any of the fees or charges disclosed unless the consumer elects to accept the card or account by using the card.
- (4) (a) Any application to open a credit card account for any person under a revolving charge account plan, and any solicitation to open an account without requiring an application, that is made available to the public or contained in catalogs, magazines or other publications shall meet the disclosure requirements of paragraph (b), (c), or (d) of this subsection.
- (b) An application or solicitation described in paragraph (a) of this subsection meets the requirement of this paragraph if such application or solicitation contains:
 - (i) the information:
 - (aa) described in subsection (1) of this section in the form required under subsections (5) through (8) of Section 2-302 of this title subject to subsection (8) of this section, and
 - (bb) described in subsection (2) of this section in a clear and conspicuous form, subject to subsections (8) and (9) of this section;
 - (ii) a statement, in a conspicuous and prominent location on the application or solicitation, that:
 - (aa) the information is accurate as of the date the application or solicitation was printed;
 - (bb) the information contained in the application or solicitation is subject to change after such date; and
 - (cc) the applicant should contact the creditor for information on any change in the information contained in the application or solicitation since it was printed;
 - (iii) a clear and conspicuous disclosure of the date the application or solicitation was printed; and
 - (iv) a disclosure, in a conspicuous and prominent location on the application or solicitation, of a toll free telephone number or a mailing address at which the applicant may contact the creditor to obtain any change in the information provided in the application or solicitation since it was printed.

- (c) An application or solicitation described in paragraph (a) of this subsection meets the requirement of this paragraph if such application or solicitation:
 - (i) contains a statement, in a conspicuous and prominent location on the application or solicitation, that:
 - (aa) there are costs associated with the use of credit cards; and
 - (bb) the applicant may contact the creditor to request disclosure of specific information of such costs by calling a toll free telephone number or by writing to an address specified in the application;
 - (ii) contains a disclosure, in a conspicuous and prominent location on the application or solicitation, of a toll free telephone number and a mailing address at which the applicant may contact the creditor to obtain such information; and
 - (iii) does not contain any of the items described in subsections (1) and (2) of this section.
- (d) An application or solicitation meets the requirements of this subsection if it contains, or is accompanied by
 - (i) the disclosures required by paragraphs (a) through (f) of subsection (1) of Section 2-310 of this title;
 - (ii) the disclosures required by subsections (1) and (2) of this section included clearly and conspicuously, except that the provisions of subsections (5) through (8) of Section 2-302 of this title shall not apply; and
 - (iii) a toll free telephone number or a mailing address at which the applicant may contact the creditor to obtain any change in the information provided.
- (e) Upon receipt of a request for any of the information referred to in paragraph (b), (c) or (d) of this subsection, the card issuer or the agent of such issuer shall promptly disclose all of the information described in subsections (1) and (2) of this section.
- (5) (a) Any application or solicitation to open a charge card account shall disclose clearly and conspicuously the following information in the form required by subsections (5) through (8) of Section 2-302 of this title subject to subsection (8) of this section:
 - (i) Any annual fee, other periodic fee, or membership fee imposed for the issuance or availability of

the charge card, including any account maintenance fee or other charge imposed based on activity or inactivity for the account during the billing cycle.

- (ii) Any transaction charge imposed in connection with use of the card to purchase goods or services.
 - (iii) A statement that charges incurred by use of the charge card are due and payable upon receipt of a periodic statement rendered for such charge card account.
- (b) In addition to the information required to be disclosed under paragraph (a) of this subsection each written application or solicitation to which such paragraph applies shall disclose clearly and conspicuously the following information, subject to subsections (8) and (9) of this section:
- (i) Any fee imposed for an extension of credit in the form of cash.
 - (ii) Any fee imposed for a late payment.
 - (iii) Any fee imposed in connection with an extension of credit in excess of the amount of credit authorized to be extended with respect to such account.
- (c) Any application to open a charge card account, and any solicitation to open such an account without requiring an application, that is made available to the public or contained in catalogs, magazines, or other publications shall contain:
- (i) the information:
 - (aa) described in paragraph (a) of this subsection in the form required under subsections (5) through (8) of Section 2-302 of this title subject to subsection (8) of this section; and
 - (bb) described in paragraph (b) of this subsection in a clear and conspicuous form, subject to subsections (8) and (9) of this section;
 - (ii) a statement, in a conspicuous and prominent location on the application or solicitation, that:
 - (aa) the information is accurate as of the date the application or solicitation was printed;
 - (bb) the information contained in the application or solicitation is subject to change after such date; and

- (cc) the applicant should contact the creditor for information on any change in the information contained in the application or solicitation since it was printed;
 - (iii) a clear and conspicuous disclosure of the date the application or solicitation was printed; and
 - (iv) a disclosure, in a conspicuous and prominent location on the application or solicitation, of a toll free telephone number or a mailing address at which the applicant may contact the creditor to obtain any change in the information provided in the application or solicitation since it was printed.
- (d) If a charge card permits the card holder to receive an extension of credit under a revolving charge account plan which is not maintained by the charge card issuer the charge card issuer may provide the information described in paragraphs (a) and (b) of this subsection in the form required by such paragraphs in lieu of the information required to be provided under subsections (1), (2), (3) or (4) of this section with respect to any credit extended under such plan, if the charge card issuer discloses clearly and conspicuously to the consumer in the application or solicitation that:
- (i) the charge card issuer will make an independent decision as to whether to issue the card;
 - (ii) the charge card may arrive before the decision is made with respect to an extension of credit under a revolving charge account plan; and
 - (iii) approval by the charge card issuer does not constitute approval by the issuer of the extension of credit.
- (e) The information required to be disclosed under subsections (1) and (2) of this section shall be provided to the charge card holder by the creditor which maintains such revolving charge account plan before the first extension of credit under such plan.
- (f) For the purposes of this subsection, the term "charge card" means a card, plate, or other single credit device that may be used from time to time to obtain credit which is not subject to a finance charge.

(6) The Administrator may, by rule, require the disclosure of information in addition to that otherwise required by subsections (1) through (7) of this section, and modify any disclosure of information required by subsections (1) through (7) of this section, in any application to open a credit card account for any person under a revolving charge account plan or any application to open a

charge card account for any person, or a solicitation to open any such account without requiring an application, if the Administrator determines that such action is necessary to carry out the purposes of, or prevent evasions of, any subsection of this section.

- (7) (a) Except as provided in paragraph (b) of this subsection, a card issuer that imposes any fee described in subsections (1)(d) or (5)(a)(i) of this section shall transmit to a consumer at least thirty (30) days prior to the scheduled renewal date of the consumer's credit or charge card account a clear and conspicuous disclosure of:
 - (i) the date by which, the month by which, or the billing period at the close of which, the account will expire if not renewed;
 - (ii) the information described in subsections (1) or (5)(a) of this section that would apply if the account were renewed, subject to subsection (8) of this section; and
 - (iii) the method by which the consumer may terminate continued credit availability under the account.
 - (b) (i) The disclosures required by this subsection may be provided:
 - (aa) prior to posting a fee described in subsection (1)(d) or paragraph (a)(i) of subsection (5) of this section to the account; or
 - (bb) with the periodic billing statement first disclosing that the fee has been posted to the account.
 - (ii) disclosures may be provided under subparagraph (i) of this paragraph only if:
 - (aa) the consumer is given a thirty-day period to avoid payment of the fee or to have the fee recredited to the account in any case where the consumer does not wish to continue the availability of the credit; and
 - (bb) the consumer is permitted to use the card during such period without incurring an obligation to pay such fee.
 - (c) The Administrator may, by rule, provide for fewer disclosures than are required by paragraph (a) of this subsection in the case of an account which is renewable for a period of less than six (6) months.
- (8) (a) If the amount of any fee required to be disclosed under the previous subsections of this section is determined on the basis of a percentage of another amount, the percentage used in making such

determination and the identification of the amount against which such percentage is applied shall be disclosed in lieu of the amount of such fee.

- (b) If a credit or charge card issuer does not impose any fee required to be disclosed under any provision of the previous subsections of this section, such provision shall not apply with respect to such issuer.

(9) If the amount of any fee required to be disclosed by a credit or charge card issuer under subsections (2), (4)(b)(i)(bb), (5)(b) or (5)(c)(i)(bb) of this section varies from state to state, the card issuer may disclose the range of such fees for purposes of subsections (1) through (5) of this section in lieu of the amount for each applicable state, if such disclosure includes a statement that the amount of such fee varies from state to state.

(10) (a) Whenever a card issuer that offers any guarantee or insurance for repayment of all or part of the outstanding balance of a revolving charge account plan, proposes to change the person providing that guarantee or insurance, the card issuer shall send each insured consumer written notice of the proposed change not less than thirty (30) days prior to the change, including notice of any increase in the rate or substantial decrease in coverage or service which will result from such change. Such notice may be included on or with the monthly statement provided to the consumer prior to the month in which the proposed change would take effect.

(b) In any case in which a proposed change described in paragraph (a) of this subsection occurs, the insured consumer shall be given the name and address of the new guarantor or insurer and a copy of the policy or group certificate containing the basic terms and conditions, including the premium rate to be charged.

(c) The notices required under paragraphs (a) and (b) of this subsection shall each include a statement that the consumer has the option to discontinue the insurance or guarantee.

(d) No provision of this subsection shall be construed as superseding any provision of Oklahoma law which is applicable to the regulation of insurance.

(e) The Administrator shall define, in rules, what constitutes a "substantial decrease in coverage or service" for purposes of paragraph (a) of this subsection.

Added by Laws 1990, c. 260, § 17, operative July 1, 1990.

§14A-2-310.2. Disclosure requirements for revolving charge account plans secured by consumer's principal dwelling.

Disclosure requirements for revolving charge account plans secured by consumer's principal dwelling.

(1) In the case of any revolving charge account plan which provides for any extension of credit which is secured by the consumer's principal dwelling, the creditor shall make the following disclosures in accordance with subsection (9) of Section 2-302 of this title:

- (a) Each annual percentage rate imposed in connection with extensions of credit under the plan and a statement that such rate does not include costs other than interest.
- (b) In the case of a plan which provides for variable rates of interest on credit extended under the plan:
 - (i) a description of the manner in which such rate will be computed and a statement that such rate does not include costs other than interest;
 - (ii) a description of the manner in which any changes in the annual percentage rate will be made, including:
 - (aa) any negative amortization and interest rate carryover;
 - (bb) the time of any such changes;
 - (cc) any index or margin to which such changes in the rate are related; and
 - (dd) a source of information about any such index;
 - (iii) if an initial annual percentage rate is offered which is not based on an index:
 - (aa) a statement of such rate and the period of time such initial rate will be in effect; and
 - (bb) a statement that such rate does not include costs other than interest;
 - (iv) a statement that the consumer should ask about the current index value and interest rate;
 - (v) a statement of the maximum amount by which the annual percentage rate may change in any one-year period or a statement that no such limit exists;
 - (vi) a statement of the maximum annual percentage rate that may be imposed at any time under the plan;
 - (vii) subject to subsection (9)(g) of Section 2-302 of this title, a table, based on a Ten Thousand Dollar (\$10,000.00) extension of credit, showing how the annual percentage rate and the minimum periodic payment amount under each repayment

- option of the plan would have been affected during the preceding fifteen-year period by changes in any index used to compute such rate;
- (viii) a statement of:
 - (aa) the maximum annual percentage rate which may be imposed under each repayment option of the plan;
 - (bb) the minimum amount of any periodic payment which may be required, based on a Ten Thousand Dollar (\$10,000.00) outstanding balance, under each such option when such maximum annual percentage rate is in effect; and
 - (cc) the earliest date by which such maximum annual interest rate may be imposed; and
 - (ix) a statement that interest rate information will be provided on or with each periodic statement.
 - (c) An itemization of any fees imposed by the creditor in connection with the availability or use of credit under such plan, including annual fees, application fees, transaction fees, and closing costs (including costs commonly described as "points"), and the time when such fees are payable.
 - (d) (i) An estimate, based on the creditor's experience with such plans and stated as a single amount or as a reasonable range, of the aggregate amount of additional fees that may be imposed by third parties including but not limited to governmental authorities, appraisers, and attorneys in connection with opening an account under the plan.
 - (ii) A statement that the consumer may ask the creditor for a good faith estimate by the creditor of the fees that may be imposed by third parties.
 - (e) A statement that:
 - (i) any extension of credit under the plan is secured by the consumer's dwelling; and
 - (ii) in the event of any default, the consumer risks the loss of the dwelling.
 - (f) (i) A clear and conspicuous statement:
 - (aa) of the time by which an application must be submitted to obtain the terms disclosed; or
 - (bb) if applicable, that the terms are subject to change.
 - (ii) A statement that:

- (aa) the consumer may elect not to enter into an agreement to open an account under the plan if any term changes, other than a change contemplated by a variable feature of the plan, before any such agreement is final; and
 - (bb) if the consumer makes an election described in division (aa) of this subparagraph, the consumer is entitled to a refund of all fees paid in connection with the application.
- (iii) A statement that the consumer should make or otherwise retain a copy of information disclosed under this subparagraph.
- (g) A statement that:
 - (i) under certain conditions, the creditor may terminate any account under the plan and require immediate repayment of any outstanding balance, prohibit any additional extension of credit to the account, or reduce the credit limit applicable to the account; and
 - (ii) the consumer may receive, upon request, more specific information about the conditions under which the creditor may take any action described in subparagraph (i) of this paragraph.
- (h) The repayment options under the plan, including:
 - (i) if applicable, any differences in repayment options with regard to:
 - (aa) any period during which additional extensions of credit may be obtained; and
 - (bb) any period during which repayment is required to be made and no additional extensions of credit may be obtained;
 - (ii) the length of any repayment period, including any differences in the length of any repayment period with regard to the periods described in divisions (aa) and (bb) of subparagraph (i) of this paragraph; and
 - (iii) an explanation of how the amount of any minimum monthly or periodic payment will be determined under each such option, including any differences in the determination of any such amount with regard to the periods described in divisions (aa) and (bb) of subparagraph (i) of this paragraph.
- (i) An example, based on a Ten Thousand Dollar (\$10,000.00) outstanding balance and the interest rate, other than a rate not based on the index under the plan, which is, or was recently, in effect under

such plan, showing the minimum monthly or periodic payment, and the time it would take to repay the entire Ten Thousand Dollars (\$10,000.00) if the consumer paid only the minimum periodic payments and obtained no additional extensions of credit.

(j) If, under any repayment option of the plan, the payment of not more than the minimum periodic payments required under such option over the length of the repayment period:

(i) would not repay any of the principal balance; or

(ii) would repay less than the outstanding balance by the end of such period,

as the case may be, a statement of such fact, including an explicit statement that at the end of such repayment period a balloon payment as defined in subsection (12) of Section 2-313 of this title would result which would be required to be paid in full at that time.

(k) If applicable, a statement that:

(i) any limitation in the plan on the amount of any increase in the minimum payments may result in negative amortization;

(ii) negative amortization increases the outstanding principal balance of the account; and

(iii) negative amortization reduces the consumer's equity in the consumer's dwelling.

(l) (i) Any limitation contained in the plan on the number of extensions of credit and the amount of credit which may be obtained during any month or other defined time period.

(ii) Any requirement which establishes a minimum amount for:

(aa) the initial extension of credit to an account under the plan;

(bb) any subsequent extension of credit to an account under the plan; or

(cc) any outstanding balance of an account under the plan.

(m) A statement that the consumer should consult a tax advisor regarding the deductibility of interest and charges under the plan.

(n) Any other term which the Administrator requires, in rules to be disclosed.

(2) For purposes of this section and Sections 2-310.3 and 2-313 of this title, the term "principal dwelling" includes any second or vacation home of the consumer.

(3) In addition to the disclosures required under subsection (1) of this section with respect to an application to open an

account under any revolving charge account plan described in such subsection, the creditor or other person providing such disclosures to the consumer shall provide:

- (a) a pamphlet published by the Board of Governors of the Federal Reserve System pursuant to Section 4 of the Home Equity Consumer Protection Act of 1988; or
- (b) any pamphlet which provides substantially similar information to the information described in such section, as determined by the Administrator.

Added by Laws 1990, c. 260, § 18, operative July 1, 1990.

§14A-2-310.3. Index or rate of interest on revolving loan account plan subject to variable rate and secured by consumer's principal dwelling - Termination of account - Change of terms or conditions - Refunding of fees.

(1) In the case of extensions of credit under a revolving charge account plan which are subject to a variable rate and are secured by a consumer's principal dwelling, the index or other rate of interest to which changes in the annual percentage rate are related shall be based on an index or rate of interest which is publicly available and is not under the control of the creditor.

(2) A creditor may not unilaterally terminate any account under a revolving charge account plan under which extensions of credit are secured by a consumer's principal dwelling and require the immediate repayment of any outstanding balance at such time, except in the case of:

- (a) fraud or material misrepresentation on the part of the consumer in connection with the account;
 - (b) failure by the consumer to meet the repayment terms of the agreement for any outstanding balance; or
 - (c) any other action or failure to act by the consumer which adversely affects the creditor's security for the account or any right of the creditor in such security.
- (3) (a) No revolving charge account plan under which extensions of credit are secured by a consumer's principal dwelling may contain a provision which permits a creditor to change unilaterally any term required to be disclosed under subsection (1) of Section 2-310.2 of this title or any other term, except a change in insignificant terms such as the address of the creditor for billing purposes.
- (b) Notwithstanding the provisions of paragraph (a) of this subsection, a creditor may make any of the following changes:
- (i) Change the index and margin applicable to extensions of credit under such plan if the index

- used by the creditor is no longer available and the substitute index and margin would result in a substantially similar interest rate,
- (ii) Prohibit additional extensions of credit or reduce the credit limit applicable to an account under the plan during any period in which the value of the consumer's principal dwelling which secures any outstanding balance is significantly less than the original appraisal value of the dwelling,
 - (iii) Prohibit additional extensions of credit or reduce the credit limit applicable to the account during any period in which the creditor has reason to believe that the consumer will be unable to comply with the repayment requirements of the account due to a material change in the consumer's financial circumstances,
 - (iv) Prohibit additional extensions of credit or reduce the credit limit applicable to the account during any period in which the consumer is in default with respect to any material obligation of the consumer under the agreement,
 - (v) Prohibit additional extensions of credit or reduce the credit limit applicable to the account during any period in which:
 - (aa) the creditor is precluded by government action from imposing the annual percentage rate provided for in the account agreement, or
 - (bb) any government action is in effect which adversely affects the priority of the creditor's security interest in the account to the extent that the value of the creditor's secured interest in the property is less than one hundred twenty percent (120%) of the amount of the credit limit applicable to the account.
 - (vi) Any change that will benefit the consumer.
 - (c) Upon the request of the consumer and at the time an agreement is entered into by a consumer to open an account under a revolving charge account plan under which extensions of credit are secured by the consumer's principal dwelling, the consumer shall be given a list of the categories of contract obligations which are deemed by the creditor to be material obligations of the consumer under the agreement for purposes of paragraph (b)(iv) of this subsection.

- (d) (i) For purposes of paragraph (b) (vi) of this subsection, a change shall be deemed to benefit the consumer if the change is unequivocally beneficial to the consumer and the change is beneficial through the entire term of the agreement,
- (ii) The Administrator may, by rule, determine categories of changes that benefit the consumer.

(4) If any term or condition described in subsection (1) of Section 2-310.2 of this title which is disclosed to a consumer in connection with an application to open an account under a revolving charge account plan described in such section, other than a variable feature of the plan, changes before the account is opened, and if, as a result of such change, the consumer elects not to enter into the plan agreement, the creditor shall refund all fees paid by the consumer in connection with such application.

(5) (a) No nonrefundable fee may be imposed by a creditor or any other person in connection with any application by a consumer to establish an account under any revolving charge account plan which provides for extensions of credit which are secured by a consumer's principal dwelling before the end of the three-day period beginning on the date such consumer receives the disclosure required under subsection (1) of Section 2-310.2 of this title and the pamphlet required under subsection (3) of Section 2-310.2 of this title with respect to such application.

(b) For purposes of determining when a nonrefundable fee may be imposed in accordance with this subsection if the disclosures and pamphlet referred to in paragraph (a) of this subsection are mailed to the consumer, the date of the receipt of the disclosures by such consumer shall be deemed to be three (3) business days after the date of mailing by the creditor.

Added by Laws 1990, c. 260, § 19, operative July 1, 1990.

§14A-2-311. Consumer leases.

With respect to a consumer lease the lessor shall give to the lessee the following information:

- (1) brief description or identification of the personal property leased;
- (2) amount of any payment required at the inception of the lease;
- (3) amount paid or payable for official fees, registration, certificate of title, or license fees or taxes;
- (4) amount of other charges not included in the periodic payments and a brief description of the charges;

(5) brief description of insurance to be provided or paid for by the lessor or required of the lessee, including the types and amounts of the coverages and costs;

(6) number of periodic payments, the amount of each payment, the due date of the first payment, the due dates of subsequent payments or interval between payments, and the total amount payable by the lessee;

(7) statement of the conditions under which the lessee or lessor may terminate the lease prior to the end of the term and the amount or method of determining any penalty or other charge for delinquency, default, late payments or early termination;

(8) statements of the liabilities the lease imposes upon the lessee at the end of the term; whether or not the lessee has the option to purchase the leased property and at what price and time; that the lessee shall be liable for the differential, if any, between the anticipated fair market value of the leased property and its appraised actual value at the termination of the lease if the lessee has such liability; of the fair market value of the property at the inception of the lease, the aggregate cost of the lease on expiration, and the differential between them, where the lease provides that the lessee shall be liable for the anticipated fair market value of the property on expiration of the lease; that the estimated residual value is a reasonable approximation of the anticipated actual fair market value of the property on lease expiration where the lessee's liability on expiration of the lease is based on the estimated residual value of the property; and that the lessee, if the lease has a residual value provision at its termination, may obtain at his expense a professional appraisal of the leased property by an independent third party agreed to by both parties which shall be final and binding on the parties;

(9) statement identifying all express warranties and guarantees made by the manufacturer or lessor with respect to the leased property and identifying the party responsible for maintaining or servicing the leased property together with a description of the responsibility; and

(10) description of any security interest held or to be retained by the lessor in connection with the lease and a clear identification of the property to which it relates.

Added by Laws 1969, c. 352, § 2-311, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 22, operative Oct. 1, 1982.

§14A-2-312. Repealed by Laws 1982, c. 335, § 59, operative Oct. 1, 1982.

§14A-2-313. Advertising.

(1) No seller or lessor shall engage in this state in false or misleading advertising concerning the terms or conditions of credit with respect to a consumer credit sale or consumer lease.

(2) Without limiting the generality of subsection (1) of this section and without requiring a statement of rate of credit service charge if the credit service charge is not more than Five Dollars (\$5.00) when the amount financed does not exceed Seventy-five Dollars (\$75.00), or Seven Dollars and fifty cents (\$7.50) when the amount financed exceeds Seventy-five Dollars (\$75.00), an advertisement with respect to a consumer credit sale made by the posting of a public sign, or by catalog, magazine, newspaper, radio, television or similar mass media, is misleading if:

- (a) it states the rate of credit service charge and the rate is not stated in the form required by the provisions on calculation of rate to be disclosed under Section 2-304 of this title; or
- (b) it states the dollar amounts of the credit service charge or installment payments, and does not also state the rate of any credit service charge, the downpayment, if any, and the terms of repayment.

(3) In this section a catalog or other multiple-page advertisement is considered a single advertisement if it clearly and conspicuously displays a credit terms table setting forth the information required by this section.

(4) This section imposes no liability on the owner or personnel, as such, of any medium in which an advertisement appears or through which it is disseminated.

(5) Advertising which complies with the Federal Consumer Credit Protection Act does not violate subsection (2) of this section.

(6) The provisions of this section do not apply to advertisements of residential real estate except to the extent required by Administrator's rule.

(7) If any advertisement to aid, promote, or assist, directly or indirectly, the extension of consumer credit through a revolving charge account plan under which extensions of credit are secured by the consumer's principal dwelling states, affirmatively or negatively, any of the specific terms of the plan, including any periodic payment amount required under such plan, such advertisement shall also clearly and conspicuously set forth the following information, in such form and manner as the Administrator may require:

- (a) Any fee the amount of which is determined as a percentage of the credit limit applicable to an account under the plan and an estimate of the aggregate amount of other fees for opening the account, based on the creditor's experience with the

plan and stated as a single amount or as a reasonable range;

- (b) In any case in which periodic rates may be used to compute the credit service charge, the periodic rates expressed as an annual percentage rate;
- (c) The highest annual percentage rate which may be imposed under the plan; and
- (d) Any other information the Administrator may by rule require.

(8) If any advertisement described in subsection (7) of this section contains a statement that any interest expense incurred with respect to the plan is or may be tax deductible, the advertisement shall not be misleading with respect to such deductibility.

(9) No advertisement described in subsection (7) of this section with respect to any home equity account may refer to such credit as "free money" or use other terms determined by the Administrator by rule to be misleading.

(10) (a) If any advertisement described in subsection (7) of this section includes an initial annual percentage rate that is not determined by the index or formula used to make later interest rate adjustments, the advertisement shall also state with equal prominence the current annual percentage rate that would have been applied using the index or formula if such initial rate had not been offered;

(b) The annual percentage rate required to be disclosed under the paragraph (a) rate of this subsection rate must be current as of a reasonable time given the media involved; and

(c) Any advertisement to which paragraph (a) of this subsection applies shall also state the period of time during which the initial annual percentage rate referred to in such paragraph will be in effect.

(11) If any advertisement described in subsection (7) of this section contains a statement regarding the minimum monthly payment under the plan, the advertisement shall also disclose, if applicable, the fact that the plan includes a balloon payment.

(12) For purposes of this section and Section 2-310.2 of this title, the term "balloon payment" means, with respect to any revolving charge account plan under which extensions of credit are secured by the consumer's principal dwelling, any repayment option under which:

(a) the account holder is required to repay the entire amount of any outstanding balance as of a specified date or at the end of a specified period of time, as determined in accordance with the terms of the

- agreement pursuant to which such credit is extended;
and
- (b) the aggregate amount of the minimum periodic payments required would not fully amortize such outstanding balance by such date or at the end of such period.
- (13) (a) If an advertisement for a consumer lease includes a statement of the amount of any payment or a statement that any or no initial payment is required, the advertisement shall clearly and conspicuously state, as applicable:
- (i) the transaction advertised is a lease;
 - (ii) the total amount of any initial payments required on or before consummation of the lease or delivery of the property, whichever is later;
 - (iii) that a security deposit is required;
 - (iv) the number, amount, and timing of scheduled payments; and
 - (v) with respect to a lease in which the liability of the consumer at the end of the lease term is based on the anticipated residual value of the property, that an extra charge may be imposed at the end of the lease term.
- (b) No owner or employee of any entity that serves as a medium in which an advertisement appears or through which an advertisement is disseminated, shall be liable under this subsection.
- (c) (i) An advertisement by radio broadcast to aid, promote, or assist, directly or indirectly, any consumer lease shall be deemed to be in compliance with the requirements of paragraph (a) of this subsection if such advertisement clearly and conspicuously:
- (aa) states the information required by subparagraphs (i) and (ii) of paragraph (a) of this subsection;
 - (bb) states the number, amounts, due dates or periods of scheduled payments, and the total of such payments under the lease;
 - (cc) includes:
 - (I) a referral to:
 - (A) a toll-free telephone number established in accordance with subparagraph (ii) of this paragraph that may be used by consumers to obtain the information required under

- paragraph (a) of this subsection;
or
- (B) a written advertisement that appears in a publication in general circulation in the community served by the radio station on which such advertisement is broadcast during the period beginning three (3) days before any such broadcast and ending ten (10) days after such broadcast and includes the information required to be disclosed under paragraph (a) of this subsection; and
- (II) the name and dates of any publication referred to in clause (B) of subdivision (I) of this division; and
- (dd) any other information which the Administrator determines necessary.
- (ii) In the case of a radio broadcast advertisement described in subparagraph (i) of this paragraph that includes a referral to a toll-free telephone number, the lessor who offers the consumer lease shall:
 - (aa) establish such a toll-free telephone number not later than the date on which the advertisement including the referral is broadcast;
 - (bb) maintain such telephone number for a period of not less than ten (10) days, beginning on the date of any such broadcast; and
 - (cc) provide the information required under paragraph (a) of this subsection with respect to the lease to any person who calls such number.

The information required to be provided in division (cc) of this subparagraph shall be provided verbally or, if requested by the consumer, in written form.

Nothing in this paragraph shall affect the requirements of law as such requirements apply to advertisement by any medium other than radio broadcast.

Added by Laws 1969, c. 352, § 2-313, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 23, operative Oct. 1, 1982; Laws 1990, c. 260, § 16, operative July 1, 1990; Laws 2000, c. 217, § 4, eff. July 1, 2000.

§14A-2-401. Scope.

This part applies to consumer credit sales and consumer leases. In addition, Section 2-310.3 of Part 3 of this article contains certain limitations upon the terms of extensions of credit under revolving charge account plans which are subject to either a fixed or a variable rate and are secured by a consumer's principal dwelling.

Added by Laws 1969, c. 352, § 2-401, eff. July 1, 1969. Amended by Laws 1990, c. 260, § 20, operative July 1, 1990.

§14A-2-402. Use of multiple agreements.

A seller may not use multiple agreements with intent to obtain a higher credit service charge than would otherwise be permitted by this article or to avoid disclosure of an annual percentage rate pursuant to the provisions on disclosure and advertising (Part 3). The excess amount of credit service charge provided for in agreements in violation of this section is an excess charge for the purposes of the provisions on the effect of violations on rights of parties (Section 5-202) and the provisions on civil actions by Administrator (Section 6-113).

Added by Laws 1969, c. 352, § 2-402, eff. July 1, 1969.

§14A-2-403. Certain negotiable instruments prohibited.

In a consumer credit sale or consumer lease, the seller or lessor may not take a negotiable instrument other than a check as evidence of the obligation of the buyer or lessee. A holder is not in good faith if he takes a negotiable instrument with notice that it is issued in violation of this section. A holder in due course is not subject to the liabilities set forth in the provisions on the effect of violations on rights of parties (Section 5-202) and the provisions on civil actions by Administrator (Section 6-113).

Added by Laws 1969, c. 352, § 2-403, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 24, operative June 1, 1982.

§14A-2-404. When assignee not subject to defense.

(1) With respect to a consumer credit sale or consumer lease, an agreement by the buyer or lessee not to assert against an assignee a claim or defense arising out of the sale or lease is enforceable only by an assignee not related to the seller or lessor who acquires the buyer's or lessee's contract in good faith and for value, who gives the buyer or lessee notice of the assignment as provided in this section and who, within thirty (30) days after the mailing of the notice of assignment, receives no written notice of the facts giving rise to the buyer's or lessee's claim or defense. This agreement is enforceable only with respect to claims or defenses which have arisen before the end of the thirty-day period after notice was mailed. The notice of assignment shall be in

writing and addressed to the buyer or lessee at his address as stated in the contract, identify the contract, describe the goods or services, state the names of the seller or lessor and buyer or lessee, the name and address of the assignee, the amount payable by the buyer or lessee and the number, amounts and due dates of the installments, and contain a conspicuous notice to the buyer or lessee that he has thirty (30) days within which to notify the assignee in writing of any complaints, claims or defenses he may have against the seller or lessor and that if written notification of the complaints, claims or defenses is not received by the assignee within the thirty-day period, the assignee will have the right to enforce the contract free of any claims or defenses the buyer or lessee may have against the seller or lessor which have arisen before the end of the thirty-day period after notice was mailed.

(2) An assignee does not acquire a buyer's or lessee's contract in good faith within the meaning of subsection (1) if the assignee has knowledge or, from his course of dealing with the seller or lessor or his records, notice of substantial complaints by other buyers or lessees of the seller's or lessor's failure or refusal to perform his contracts with them and of the seller's or lessor's failure to remedy his defaults within a reasonable time after the assignee notifies him of the complaints.

(3) To the extent that under this section an assignee is subject to claims or defenses of the buyer or lessee against the seller or lessor, the assignee's liability under this section may not exceed the amount owing to the assignee at the time the claim or defense is asserted against the assignee and rights of the buyer or lessee under this section can only be asserted as a matter of defense to or setoff against a claim by the assignee.

Added by Laws 1969, c. 352, § 2-404, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 25, operative June 1, 1982.

§14A-2-405. Balloon payments.

With respect to a consumer credit sale, other than one pursuant to a revolving charge account, if any scheduled payment is more than twice as large as the average of earlier scheduled payments, the buyer has the right to refinance the amount of that payment at the time it is due without penalty. The terms of the refinancing shall be no less favorable to the buyer than the terms of the original sale. These provisions do not apply to the extent that the payment schedule is adjusted to the seasonal or irregular income of the buyer.

Added by Laws 1969, c. 352, § 2-405, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 26, operative June 1, 1982.

§14A-2-406. Restriction on liability in consumer lease.

The obligation of a lessee upon expiration of a consumer lease may not exceed twice the average payment allocable to a monthly period under the lease. This limitation does not apply to charges for damages to the leased property or for other default. Added by Laws 1969, c. 352, § 2-406, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 27, operative June 1, 1982.

§14A-2-407. Security in sales or leases.

(1) With respect to a consumer credit sale, a seller may take a security interest in the property sold. In addition, a seller may take a security interest in goods upon which services are performed or in which goods sold are installed or to which they are annexed, or in land to which the goods are affixed or which is maintained, repaired or improved as a result of the sale of the goods or services, if in the case of a security interest in land the debt secured is One Thousand Dollars (\$1,000.00) or more, or, in the case of a security interest in goods the debt secured is Two Hundred Dollars (\$200.00) or more. Except as provided with respect to cross-collateral (Section 2-408), a seller may not otherwise take a security interest in property of the buyer to secure the debt arising from a consumer credit sale.

(2) With respect to a consumer lease, a lessor may not take a security interest in property of the lessee to secure the debt arising from the lease.

(3) A security interest taken in violation of this section is void.

(4) "Security interest" as used in this section means a security interest arising by agreement of the parties and does not include a lien arising by operation of law.

Added by Laws 1969, c. 352, § 2-407, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 28, operative June 1, 1982.

§14A-2-408. Cross-collateral.

(1) In addition to contracting for a security interest pursuant to the provisions on security in sales or leases (Section 2-407), a seller in a consumer credit sale may secure the debt arising from the sale by contracting for a security interest in other property if as a result of a prior sale the seller has an existing security interest in the other property. The seller may also contract for a security interest in the property sold in the subsequent sale as security for the previous debt.

(2) If the seller contracts for a security interest in other property pursuant to this section, the rate of credit service charge thereafter on the aggregate unpaid balances so secured may not exceed that permitted if the balances so secured were consolidated pursuant to the provisions on consolidation involving a refinancing (subsection (1) of Section 2-206). The seller has a reasonable time

after so contracting to make any adjustments required by this section. "Seller" in this section does not include an assignee not related to the original seller.

Added by Laws 1969, c. 352, § 2-408, eff. July 1, 1969.

§14A-2-409. Debt secured by cross-collateral.

(1) If debts arising from two or more consumer credit sales, other than sales pursuant to a revolving charge account, are secured by cross-collateral (Section 2-408) or consolidated into one debt payable on a single schedule of payments, and the debt is secured by security interests taken with respect to one or more of the sales, payments received by the seller after the taking of the cross-collateral or the consolidation are deemed, for the purpose of determining the amount of the debt secured by the various security interests, to have been first applied to the payment of the debts arising from the sales first made. To the extent debts are paid according to this section, security interests in items of property terminate as the debts originally incurred with respect to each item is paid.

(2) Payments received by the seller upon a revolving charge account are deemed, for the purpose of determining the amount of the debt secured by the various security interests, to have been applied first to the payment of credit service charges in the order of their entry to the account and then to the payment of debts in the order in which the entries to the account showing the debts were made.

(3) If the debts consolidated arose from two or more sales made on the same day, payments received by the seller are deemed, for the purpose of determining the amount of the debt secured by the various security interests, to have been applied first to the payment of the smallest debt.

Added by Laws 1969, c. 352, § 2-409, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 29, operative June 1, 1982.

§14A-2-410. No assignment of earnings.

A seller or lessor may not take an assignment of earnings of the buyer or lessee for payment or as security for payment of a debt arising out of a consumer credit sale or a consumer lease. An assignment of earnings in violation of this section is unenforceable by the assignee of the earnings and revocable by the buyer or lessee. This section does not prohibit an employee from authorizing deductions from his earnings if the authorization is revocable.

Added by Laws 1969, c. 352, § 2-410, eff. July 1, 1969.

§14A-2-411. Referral sales.

With respect to a consumer credit sale or consumer lease the seller or lessor may not give or offer to give a rebate or discount or otherwise pay or offer to pay value to the buyer or lessee as an

inducement for a sale or lease in consideration of his giving to the seller or lessor the names of prospective purchasers or lessees, or otherwise aiding the seller or lessor in making a sale or lease to another person, if the earning of the rebate, discount or other value is contingent upon the occurrence of an event subsequent to the time the buyer or lessee agrees to buy or lease. If a buyer or lessee is induced by a violation of this section to enter into a consumer credit sale or consumer lease, the agreement is unenforceable by the seller or lessor and the buyer or lessee, at his option, may rescind the agreement or retain the goods delivered and the benefit of any services performed, without any obligation to pay for them.

Added by Laws 1969, c. 352, § 2-411, eff. July 1, 1969.

§14A-2-412. Notice of assignment.

The buyer or lessee is authorized to pay the original seller or lessor until the buyer or lessee receives notification of assignment of the rights to payment pursuant to a consumer credit sale or consumer lease and that payment is to be made to the assignee. A notification which does not reasonably identify the rights assigned is ineffective. If requested by the buyer or lessee, the assignee must seasonably furnish reasonable proof that the assignment has been made and unless he does so the buyer or lessee may pay the seller or lessor.

Added by Laws 1969, c. 352, § 2-412, eff. July 1, 1969.

§14A-2-413. Attorney's fees.

With respect to a consumer credit sale or with respect to a consumer lease the agreement may provide for the payment by the buyer or lessee of reasonable attorney's fees not in excess of fifteen percent (15%) of the unpaid debt after default and referral to an attorney not a salaried employee of the seller, or of the lessor or his assignee; provided, however, that no attorney's fee shall be allowed if the amount financed is One Thousand Dollars (\$1,000.00) or less and the credit service charge exceeds ten percent (10%) per year calculated according to the actuarial method. Provided further, however, a court may award reasonable attorney's fees to a prevailing litigant in any transaction where such fees may be awarded in accordance with other statutes of this state. A provision in violation of this section is unenforceable.

Added by Laws 1969, c. 352, § 2-413, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 5; Laws 1982, c. 335, § 30, operative June 1, 1982.

§14A-2-414. Limitation on default charges.

Except for reasonable expenses incurred in realizing on a security interest, the agreement with respect to a consumer credit

sale may not provide for any charges as a result of default by the buyer other than those authorized by this act. A provision in violation of this section is unenforceable.

Added by Laws 1969, c. 352, § 2-414, eff. July 1, 1969.

§14A-2-415. Authorization to confess judgment prohibited.

A buyer or lessee may not authorize any person to confess judgment on a claim arising out of a consumer credit sale or consumer lease. An authorization in violation of this section is void.

Added by Laws 1969, c. 352, § 2-415, eff. July 1, 1969.

§14A-2-416. Change in terms of revolving charge accounts.

(1) If a seller makes a change in the terms of a revolving charge account without complying with this section any additional cost or charge to the buyer resulting from the change is an excess charge and subject to the remedies available to debtors (Section 5-202) and to the Administrator (Section 6-113).

(2) A seller may change the terms of a revolving charge account whether or not the change is authorized by prior agreement. Except as provided in subsection (3), the seller shall give to the buyer written notice of any change at least three times, with the first notice at least six (6) months before the effective date of the change.

(3) The notice specified in subsection (2) is not required if:

- (a) the buyer after receiving notice of the change agrees in writing to the change;
- (b) the buyer elects to pay an amount designated on a billing statement (subsection (2) of Section 2-310) as including a new charge for a benefit offered to the buyer when the benefit and charge constitute the change in terms and when the billing statement also states the amount payable if the new charge is excluded;
- (c) the change involves no significant cost to the buyer;
- (d) the buyer has previously consented in writing to the kind of change made and notice of the change is given to the buyer at least fifteen (15) days prior to the effective date of the change;
- (e) the change applies only to purchases made or obligations incurred after a date specified in a notice of the change given at least fifteen (15) days prior to the effective date of the change; or
- (f) the change involves late payment charges or over-the-limit charges.

(4) The notice provided for in this section is given to the buyer when mailed to the buyer at the address used by the seller for sending periodic billing statements.

Added by Laws 1969, c. 352, § 2-416, eff. July 1, 1969. Amended by Laws 1988, c. 35, § 3, operative July 1, 1988; Laws 1995, c. 72, § 1.

§14A-2-417. Surcharge for use of credit or debit card.

A. No seller in any sales transaction may impose a surcharge on a cardholder who elects to use a credit card or debit card in lieu of payment by cash, check or similar means.

B. As used in this section, "debit card" means any instrument or device, whether known as a debit card or by any other name, issued with or without fee by an issuer for the use of the cardholder in depositing, obtaining or transferring funds from a consumer banking electronic facility.

C. For purposes of this section, a private educational institution as defined in paragraph (e) of Section 3102 of Title 70 of the Oklahoma Statutes, a private school defined as a nonpublic entity conducting an educational program for at least one grade between prekindergarten through twelve, a municipality as defined in paragraph 5 of Section 1-102 of Title 11 of the Oklahoma Statutes or a public trust with a municipality as its beneficiary may charge a service fee. The service fee may be applied to online or in-person transactions and shall be used to offset bank processing fees, financial transaction fees, the cost of providing for secure transaction, portal fees, and fees necessary to compensate for increased bandwidth incurred as a result of providing the transaction.

Added by Laws 1977, c. 135, § 2, emerg. eff. June 3, 1977. Amended by Laws 2010, c. 69, § 2, eff. Nov. 1, 2010; Laws 2012, c. 221, § 2; Laws 2015, c. 319, § 3, eff. Nov. 1, 2015; Laws 2017, c. 31, § 2, eff. Nov. 1, 2017; Laws 2019, c. 232, § 1, eff. Nov. 1, 2019.

§14A-2-501. Definition: "Home solicitation sale".

"Home solicitation sale" means a consumer credit sale of goods, other than farm equipment, or services in which the seller or a person acting for him engages in a personal solicitation of the sale at a residence of the buyer and the buyer's agreement or offer to purchase is there given to the seller or a person acting for him. It does not include a sale made pursuant to a preexisting revolving charge account, or a sale made pursuant to prior negotiations between the parties at a business establishment at a fixed location where goods or services are offered or exhibited for sale.

Added by Laws 1969, c. 352, § 2-501, eff. July 1, 1969.

§14A-2-502. Buyer's right to cancel.

(1) Except as provided in subsection (5), in addition to any right otherwise to revoke an offer, the buyer has the right to cancel a home solicitation sale until midnight of the third business day after the day on which the buyer signs an agreement or offer to purchase which complies with this part.

(2) Cancellation occurs when the buyer gives written notice of cancellation to the seller at the address stated in the agreement or offer to purchase.

(3) Notice of cancellation, if given by mail, is given when it is deposited in a mailbox properly addressed and postage prepaid.

(4) Notice of cancellation given by the buyer need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the buyer not to be bound by the home solicitation sale.

(5) The buyer may not cancel a home solicitation sale if the buyer requests the seller to provide goods or services without delay because of an emergency; and

(a) the seller in good faith makes a substantial beginning of performance of the contract before the buyer gives notice of cancellation; and

(b) in the case of goods, the goods cannot be returned to the seller in substantially as good condition as when received by the buyer.

(6) If a home solicitation sale is also subject to the provisions on debtor's right to rescind certain transactions (Section 5-204), the buyer may proceed either under those provisions or under this part.

Added by Laws 1969, c. 352, § 2-502, eff. July 1, 1969.

§14A-2-503. Form of agreement or offer - Statement of buyer's rights.

(1) In a home solicitation sale, unless the buyer requests the seller to provide goods or services without delay in an emergency, the seller must present to the buyer and obtain his signature to a written agreement or offer to purchase which designates as the date of the transaction the date on which the buyer actually signs and contains a statement of the buyer's rights which complies with subsection (2).

(2) The statement must

(a) appear under the conspicuous caption "BUYER'S RIGHT TO CANCEL"; and

(b) read as follows: "If this agreement was solicited at your residence and you do not want the goods or services, you may cancel this agreement by mailing a notice to the seller. The notice must say that you do not want the goods or services and must be mailed before midnight of the third business day after you

sign this agreement. The notice must be mailed to:

_____.
(Insert name and mailing address of seller)

If you cancel, the seller may keep all or part of your cash down payment not to exceed five percent (5%) of the cash price."

(3) Until the seller has complied with this section the buyer may cancel the home solicitation sale by notifying the seller in any manner and by any means of his intention to cancel.

Added by Laws 1969, c. 352, § 2-503, eff. July 1, 1969.

§14A-2-504. Restoration of down payment - Retention of cancellation fee.

(1) Except as provided in this section, within ten (10) days after a home solicitation sale has been cancelled or an offer to purchase revoked the seller must tender to the buyer any payments made by the buyer and any note or other evidence of indebtedness.

(2) If the down payment includes goods traded in, the goods must be tendered in substantially as good condition as when received by the seller. If the seller fails to tender the goods as provided by this section, the buyer may elect to recover an amount equal to the trade-in allowance stated in the agreement.

(3) The seller may retain as a cancellation fee five percent (5%) of the cash price but not exceeding the amount of the cash down payment. If the seller fails to comply with an obligation imposed by this section, or if the buyer avoids the sale on any ground independent of his right to cancel provided by the provisions on the buyer's right to cancel (subsection (1) of Section 2-502) or revokes his offer to purchase, the seller is not entitled to retain a cancellation fee.

(4) Until the seller has complied with the obligations imposed by this section the buyer may retain possession of goods delivered to him by the seller and has a lien on the goods in his possession or control for any recovery to which he is entitled.

Added by Laws 1969, c. 352, § 2-504, eff. July 1, 1969.

§14A-2-505. Duty of buyer - No compensation for services prior to cancellation.

(1) Except as provided by the provisions on retention of goods by the buyer (subsection (4) of Section 2-504), within a reasonable time after a home solicitation sale has been canceled or an offer to purchase revoked, the buyer upon demand must tender to the seller any goods delivered by the seller pursuant to the sale but he is not obligated to tender at any place other than his residence. If the seller fails to demand possession of goods within a reasonable time after cancellation or revocation, the goods become the property of

the buyer without obligation to pay for them. For the purpose of this section, forty (40) days is presumed to be a reasonable time.

(2) The buyer has a duty to take reasonable care of the goods in his possession before cancellation or revocation and for a reasonable time thereafter, during which time the goods are otherwise at the seller's risk.

(3) If the seller has performed any services pursuant to a home solicitation sale prior to its cancellation, the seller is entitled to no compensation except the cancellation fee provided in this part.

Added by Laws 1969, c. 352, § 2-505, eff. July 1, 1969.

§14A-2-601. Sales subject to act by agreement of parties.

The parties to a sale other than a consumer credit sale may agree in writing signed by the parties that the sale is subject to the provisions of this act applying to consumer credit sales. If the parties so agree the sale is a consumer credit sale for the purposes of this act.

Added by Laws 1969, c. 352, § 2-601, eff. July 1, 1969.

§14A-2-602. Repealed by Laws 1982, c. 335, § 58, operative June 1, 1982.

§14A-2-603. Repealed by Laws 1982, c. 335, § 58, operative June 1, 1982.

§14A-2-604. Repealed by Laws 1982, c. 335, § 58, operative June 1, 1982.

§14A-2-605. Credit service charge for other sales.

With respect to a sale other than a consumer credit sale, the parties may contract for the payment by the buyer of any credit service charge.

Added by Laws 1969, c. 352, § 2-605, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 31, operative June 1, 1982.

§14A-3-101. Short title.

This article shall be known and may be cited as Uniform Consumer Credit Code - Loans.

Added by Laws 1969, c. 352, § 3-101, eff. July 1, 1969.

§14A-3-102. Scope.

This article applies to consumer loans, including supervised loans, unless otherwise provided by a section of this article.

Added by Laws 1969, c. 352, § 3-102, eff. July 1, 1969. Amended by Laws 1980, c. 122, § 2, emerg. eff. April 15, 1980; Laws 1982, c.

335, § 32, operative June 1, 1982; Laws 2012, c. 172, § 3, eff. July 1, 2012.

§14A-3-102a. Restrictions on political subdivision orders, ordinances and regulations - Injunctive relief.

A. No municipality or other political subdivision of this state shall adopt or enforce any order, ordinance or regulation relating to any business or occupation licensed, regulated and controlled under the supervision of the Department of Consumer Credit as outlined in Section 3-102 et seq. of Title 14A of the Oklahoma Statutes that has the effect of any of the following:

1. The regulation of interest rates or fees charged by such business; or

2. Through zoning or other measures, unduly restricts the location or placement of any business outlined in subsection A of this section.

B. No municipality or other political subdivision of this state shall prevent any lender authorized and licensed to make loans under Section 3-102 et seq. of Title 14A of the Oklahoma Statutes from engaging in lending practices authorized by Section 3-102 et seq. of Title 14A of the Oklahoma Statutes.

C. When a person's rights pursuant to the protections of the provisions of this section have been violated, the person shall have the right to bring an action in district court for injunctive relief.

D. For purposes of this section, "unduly restricts" means an act which entirely prevents those businesses outlined in subsection A of this section from operating within municipal boundaries as a matter of law.

Added by Laws 2020, c. 147, § 1, eff. Nov. 1, 2020.

§14A-3-103. Definitions in article.

The following definitions apply to this act and appear in this article as follows:

"Annual percentage rate" - Section 3-304(2)

"Consumer loan" - Section 3-104

"Consumer related loan" - Section 3-602(1)

"Corresponding nominal annual percentage rate" - Section 3-304(3).

"Lender" - Section 3-107(1)

"Loan" - Section 3-106

"Loan finance charge" - Section 3-109

"Loan primarily secured by an interest in land" - Section 3-105

"Precomputed" - Section 3-107(2)

"Principal" - Section 3-107(3)

"Revolving loan account" - Section 3-108

"Supervised lender" - Section 3-501(2)

"Supervised loan" - Section 3-501(1)
Laws 1969, c. 352, § 3-103, eff. July 1, 1969.

§14A-3-104. Definition: "Consumer Loan".

Except with respect to a loan primarily secured by an interest in land (Section 3-105 of this title), or except with respect to loans granted by institutions of postsecondary education except that such loans by institutions of postsecondary education shall be subject to disclosure requirements pursuant to Section 3-301 of this title and remedies for violation of disclosure provisions pursuant to Articles 5 and 6 of this title if otherwise they meet the definition of consumer loan, a "consumer loan" is a loan made by a person regularly engaged in the business of making loans in which:

- (a) the debtor is a person other than an organization;
- (b) the debt is incurred primarily for a personal, family or household purpose;
- (c) either the debt is payable in installments or a loan finance charge is made; and
- (d) either the principal does not exceed Fifty Thousand Dollars (\$50,000.00), unless the loan is a private education loan as that term is defined in Section 8 of this act, or the debt is secured by an interest in land. The dollar amount in this paragraph shall be adjusted annually as indicated by the Consumer Financial Protection Bureau by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as published by the Bureau of Labor Statistics, rounded to the nearest multiple of One Hundred Dollars (\$100.00) or One Thousand Dollars (\$1,000.00) as applicable.

Added by Laws 1969, c. 352, § 3-104, eff. July 1, 1969. Amended by Laws 1976, c. 190, § 1, emerg. eff. June 4, 1976; Laws 1982, c. 335, § 33, operative June 1, 1982; Laws 2012, c. 172, § 4, eff. July 1, 2012; Laws 2013, c. 99, § 3, eff. July 1, 2013.

§14A-3-105. Definition: "Loan primarily secured by an interest in land".

Unless the loan is made subject to this act by agreement (Section 3-601), and except as provided with respect to disclosure (Section 3-301) and debtors' remedies (Section 5-201), "consumer loan" does not include a "loan primarily secured by an interest in land", if at the time the loan is made the value of this collateral is substantial in relation to the amount of the loan, and the loan finance charge does not exceed thirteen percent (13%) per year calculated according to the actuarial method on the unpaid balances of the principal on the assumption that the debt will be paid

according to the agreed terms and will not be paid before the end of the agreed term.

Added by Laws 1969, c. 352, § 3-105, eff. July 1, 1969. Amended by Laws 1979, c. 218, § 1, emerg. eff. May 30, 1979; Laws 1980, c. 32, § 1, emerg. eff. Mar. 26, 1980; Laws 1980, c. 122, § 3, emerg. eff. April 15, 1980.

§14A-3-106. Definition: "Loan".

(1) "Loan" includes

- (a) the creation of debt by the lender's payment of or agreement to pay money to the debtor or to a third party for the account of the debtor;
- (b) the creation of debt by a credit to an account with the lender upon which the debtor is entitled to draw immediately;
- (c) the creation of debt pursuant to a lender credit card or similar arrangement, except that the creation of debt or the forbearance of debt arising from a sale or lease of goods or services pursuant to a lender credit card shall be a "loan" only as to the issuer of such card and not as to a seller nor a lessor nor any assignee of a seller's right to payment or lessor's right to payment; and
- (d) the forbearance of debt arising from a loan.

(2) "Loan" does not include the creation of debt nor the forbearance of debt in connection with a sale or lease of goods or services arising pursuant to a seller credit card as to the issuer of such card, nor a seller, a lessor or any assignee of a seller's or lessor's right to payment, nor otherwise.

Added by Laws 1969, c. 352, § 3-106, eff. July 1, 1969.

§14A-3-107. Definitions: "Lender"; "Precomputed"; "Principal".

(1) Except as otherwise provided, "lender" includes an assignee of the lender's right to payment but use of the term does not in itself impose on an assignee any obligation of the lender with respect to events occurring before the assignment.

(2) A loan, refinancing, or consolidation is "precomputed" if the debt is expressed as a sum comprising the principal and the amount of the loan finance charge computed in advance.

(3) "Principal" of a loan means the total of

- (a) the net amount paid to, receivable by, or paid or payable for the account of the debtor;
- (b) the amount of any discount excluded from the loan finance charge (subsection (2) of Section 3-109); and
- (c) to the extent that payment is deferred

- (i) amounts actually paid or to be paid by the lender for registration, certificate of title, or license fees if not included in (a); and
- (ii) additional charges permitted by this article (Section 3-202).

Added by Laws 1969, c. 352, § 3-107, eff. July 1, 1969.

§14A-3-108. Definition: "Revolving loan account".

"Revolving loan account" means an open-end credit plan between a lender and a debtor under

(1) which the lender reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and pursuant to which the lender will permit the debtor to obtain loans from time to time; and

(2) which provides for a loan finance charge which is not precomputed but is computed on the outstanding unpaid balances of the debtor's account from time to time.

Added by Laws 1969, c. 352, § 3-108, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 34, operative June 1, 1982.

§14A-3-109. Definition: "Loan finance charge".

(1) (a) "Loan finance charge" means a finance charge composed of the sum of:

(i) all charges payable directly or indirectly by the debtor and imposed directly or indirectly by the lender as an incident to the extension of credit, including any of the following types of charges, which are applicable: interest or any amount payable under a point, discount, or other system of charges, however denominated, premium or other charge for any guarantee or insurance protecting the lender against the debtor's default or other credit loss; and

(ii) charges incurred for investigating the collateral or credit worthiness of the debtor or for commissions or brokerage for obtaining the credit, irrespective of the person to whom the charges are paid or payable unless the lender had no notice of the charges when the loan was made.

(b) The term does not include charges as a result of default, additional charges under Sections 3-202 and subsection (4) of 3-508A of this title, delinquency charges under Section 3-203 of this title, deferral charges under Section 3-204 of this title, charges of a type payable in a comparable cash transaction, or sellers points. The finance charge shall not include fees and amounts imposed by third-party closing

agents, including settlement agents, attorneys, and escrow and title companies, if the creditor does not require the imposition of the charges or the services provided and does not retain the charges. Examples of charges which are included in the finance charge include any of the following types of charges which are applicable:

- (i) Interest, time price differential, and any amount payable under a point, discount, or other system of additional charges;
- (ii) Service or carrying charge;
- (iii) Loan fee, finder's fee, or similar charge;
- (iv) Fee for an investigation or credit report;
- (v) Premium or other charge for any guarantee or insurance protecting the creditor against the obligor's default or other credit loss; and
- (vi) Borrower-paid mortgage broker fees, including fees paid directly to the broker or the lender, for delivery to the broker, whether such fees are paid in cash or financed.

(2) If a lender makes a loan to a debtor by purchasing or satisfying obligations of the debtor pursuant to a lender credit card or similar arrangement, and the purchase or satisfaction is made at less than the face amount of the obligation, the discount is not part of the loan finance charge.

Added by Laws 1969, c. 352, § 3-109, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 35, operative June 1, 1982; Laws 2000, c. 217, § 5, eff. July 1, 2000; Laws 2002, c. 249, § 3, eff. Nov. 1, 2002; Laws 2021, c. 142, § 2, eff. Nov. 1, 2021.

§14A-3-201. Loan finance charge for consumer loans other than supervised loans.

(1) With respect to a consumer loan other than a supervised loan (Section 3-501), a lender may contract for and receive a loan finance charge, calculated according to the actuarial method, not exceeding ten percent (10%) per year on the unpaid balances of the principal.

(2) This section does not limit or restrict the manner of contracting for the loan finance charge, whether by way of add-on, discount, or otherwise, so long as the rate of the loan finance charge does not exceed that permitted by this section. If the loan is precomputed

- (a) the loan finance charge may be calculated on the assumption that all scheduled payments will be made when due; and
- (b) the effect of prepayment is governed by the provisions on rebate upon prepayment (Section 3-210).

(3) For the purposes of this section, the term of a loan commences with the date the loan is made. Differences in the lengths of months are disregarded and a day may be counted as one-thirtieth ($1/30$) of a month. Subject to classifications and differentiations the lender may reasonably establish, a part of a month in excess of fifteen (15) days may be treated as a full month if periods of fifteen (15) days or less are disregarded and if that procedure is not consistently used to obtain a greater yield than would otherwise be permitted.

(4) With respect to a consumer loan made pursuant to a revolving loan account

- (a) the loan finance charge shall be deemed not to exceed ten percent (10%) per year if the loan finance charge contracted for and received does not exceed a charge in each monthly billing cycle which is five-sixths of one percent ($5/6$ of 1%) of an amount no greater than
 - (i) the average daily balance of the debt;
 - (ii) the unpaid balance of the debt on the same day of the billing cycle; or
 - (iii) subject to subsection (5), the median amount within a specified range within which the average daily balance or the unpaid balance of the debt, on the same day of the billing cycle, is included: for the purposes of this subparagraph and subparagraph (ii), a variation of not more than four (4) days from month to month is "the same day of the billing cycle";
- (b) if the billing cycle is not monthly, the loan finance charge shall be deemed not to exceed ten percent (10%) per year if the loan finance charge contracted for and received does not exceed a percentage which bears the same relation to five-sixths of one percent ($5/6$ of 1%) as the number of days in the billing cycle bears to thirty (30); and
- (c) notwithstanding subsection (1), if there is an unpaid balance on the date as of which the loan finance charge is applied, the lender may contract for and receive a charge not exceeding fifty cents (\$0.50) if the billing cycle is monthly or longer, or the pro rata part of fifty cents (\$0.50) which bears the same relation to fifty cents (\$0.50) as the number of days in the billing cycle bears to thirty (30) if the billing cycle is shorter than monthly, but no charge may be made pursuant to this paragraph if the lender has made an annual charge for the same period as permitted by the provisions on additional charges (paragraph (c) of subsection (1) of Section 3-202).

(5) Subject to classifications and differentiations the lender may reasonably establish, he may make the same loan finance charge on all amounts financed within a specified range. A loan finance charge so made does not violate subsection (1) if

- (a) when applied to the median amount within each range, it does not exceed the maximum permitted by subsection (1); and
- (b) when applied to the lowest amount within each range, it does not produce a rate of loan finance charge exceeding the rate calculated according to paragraph (a) by more than eight percent (8%) of the rate calculated according to paragraph (a).

Added by Laws 1969, c. 352, § 3-201, eff. July 1, 1969.

§14A-3-202. Additional charges.

(1) In addition to the loan finance charge permitted by this part, a lender may contract for and receive the following additional charges in connection with a consumer loan:

- (a) official fees that are itemized and disclosed in accordance with rules of the Administrator, reasonable closing costs and taxes, including but not limited to any tax levied on security instruments or on documents evidencing indebtedness if the payment of such taxes is a precondition for recording the instrument securing the evidence of indebtedness;
- (b) charges for insurance as described in subsection (3) of this section;
- (c) charges for other benefits, including insurance, conferred on the debtor, if the benefits are of value to the debtor and if the charges are reasonable in relation to the benefits, are of a type which is not for credit, and are excluded as permissible additional charges by rule adopted by the Administrator;
- (d) a charge for processing the debtor's application for credit, including but not limited to costs of services such as credit reports, credit investigations, appraisals and fees for preparation of loan-related documents; and
- (e) fees related to any pest infestation or flood hazard inspections conducted prior to closing.

(2) In addition to the charges permitted under subsection (1) of this section, a lender may contract for and receive the following additional charges in connection with a revolving loan account accessed by a lender credit card or similar arrangement:

- (a) annual or membership fees or service charges whether assessed on an annual or other periodic basis which entitles the user to purchase goods or services from

at least one hundred persons not related to the issuer of the lender credit card or similar arrangement, under an arrangement pursuant to which the debts resulting from the purchases are payable to the issuer;

- (b) transaction fees or charges for each separate charge or purchase under the revolving loan account;
- (c) cash advance fees for each separate cash advance under the revolving loan account;
- (d) charges for stopping payment at the debtor's request on any check, negotiable order of withdrawal or share draft written or issued by the debtor to access the revolving loan account; and
- (e) reasonable charges for services rendered or for reimbursement of expenses incurred by the lender in connection with the revolving loan account at the request of the debtor, including, but not limited to, search charges and charges for furnishing copies of documents.

(3) An additional charge may be made for insurance written in connection with the loan, other than insurance protecting the lender against the debtor's default or other credit loss:

- (a) with respect to insurance against loss of or damage to property, or against liability, if the lender furnishes a clear and specific statement in writing to the debtor, setting forth the cost of the insurance if obtained from or through the lender, and stating that the debtor may choose the person through whom the insurance is to be obtained; and
- (b) with respect to consumer credit insurance providing life, accident, or health coverage, if the insurance coverage is not a factor in the approval by the lender of the extension of credit, and this fact is clearly disclosed in writing to the debtor, and if in order to obtain the insurance in connection with the extension of credit, the debtor gives specific affirmative written indication of the debtor's desire to do so after written disclosure to the debtor of the cost thereof.

(4) With respect to a revolving loan account accessed by a lender or seller credit card or similar arrangement, a lender or seller may not contract for or receive any penalty, increased annual fee, or any similar fee or additional charge, because the account holder pays the account balance in full within a billing cycle, nor any fee or charge for non-use. This provision shall not prohibit a lender or seller from contracting for or receiving, with respect to the applicable portion of a billing cycle, the same annual rate of

loan finance charge, as well as the same cash-advance fee, that would apply if the account balance were not paid in full within the billing cycle.

Added by Laws 1969, c. 352, § 3-202, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 6; Laws 1982, c. 335, § 36, operative June 1, 1982; Laws 1985, c. 31, § 1, emerg. eff. April 19, 1985; Laws 1988, c. 35, § 4, operative July 1, 1988; Laws 1989, c. 293, § 7, emerg. eff. May 24, 1989; Laws 1990, c. 260, § 31, operative July 1, 1990; Laws 1998, c. 352, § 3, eff. July 1, 1998; Laws 2000, c. 217, § 6, eff. July 1, 2000.

§14A-3-202.1. Return of dishonored check, negotiable order of withdrawal or share draft - Fee.

The lender of a consumer loan may charge and collect from the debtor a fee for each return by a bank or other depository institution of a dishonored check, negotiable order of withdrawal or share draft issued by the debtor in connection with the consumer loan. The amount of the fee shall be limited to the amount which the Oklahoma Tax Commission, Service Oklahoma, or a licensed operator may charge and collect pursuant to the provisions of Section 1121 of Title 47 of the Oklahoma Statutes. This fee shall be in addition to all other loan finance charges, fees and additional charges which the lender may charge and collect from the debtor under this Code and shall not be subject to refund or rebate. Added by Laws 1984, c. 51, § 2, emerg. eff. March 28, 1984. Amended by Laws 2000, c. 114, § 2, eff. Nov. 1, 2000; Laws 2022, c. 282, § 12, emerg. eff. May 19, 2022.

§14A-3-202.2. Repealed by Laws 1998, c. 352, § 6, emerg. eff. June 5, 1998.

§14A-3-203. Delinquency charges.

(1) With respect to a precomputed consumer loan, refinancing, or consolidation, the parties may contract for a delinquency charge on any installment not paid in full within ten (10) days after its scheduled due date in an amount not less than Five Dollars (\$5.00) nor more than any of the following, whichever is greater:

- (a) five percent (5%) of the unpaid amount of the installment,
- (b) the dollar amount provided by rule of the Administrator for this section pursuant to Section 1-106 of this title, or
- (c) the deferral charge (subsection (1) of Section 3-204) that would be permitted to defer the unpaid amount of the installment for the period that it is delinquent.

(2) A delinquency charge under paragraph (a) of subsection (1) may be collected only once on an installment however long it remains

in default. No delinquency charge may be collected if the installment has been deferred and a deferral charge (Section 3-204) has been paid or incurred. A delinquency charge may be collected at the time it accrues or at any time thereafter.

(3) No delinquency charge may be collected on an installment which is paid in full within ten (10) days after its scheduled installment due date even though an earlier maturing installment or a delinquency charge on an earlier installment may not have been paid in full. For purposes of this subsection payments are applied first to current installments and then to delinquent installments.

(4) If two installments or parts thereof of a precomputed loan are in default for ten (10) days or more, the lender may elect to convert the loan from a precomputed loan to one in which the loan finance charge is based on unpaid balances. In this event he shall make a rebate pursuant to the provisions on rebate upon prepayment (Section 3-210) as of the maturity date of the first delinquent installment, and thereafter may make a loan finance charge as authorized by the provisions on loan finance charge for consumer loans (Section 3-201) or the provisions on loan finance charge for supervised loans (Section 3-508A), whichever is appropriate. The amount of the rebate shall not be reduced by the amount of any permitted minimum charge (Section 3-210). If the lender proceeds under this subsection, any delinquency or deferral charges made with respect to installments due at or after the maturity date of the first delinquent installment shall be rebated, and no further delinquency or deferral charges shall be made.

(5) With respect to a consumer loan, refinancing or consolidation, which is not precomputed, including a revolving loan account accessed by lender credit card or similar arrangement, the parties may contract for a delinquency charge on any installment not paid in full within ten (10) days after its scheduled due date in an amount not less than Five Dollars (\$5.00) nor more than the greater of five percent (5%) of the unpaid amount of the payment or the dollar amount provided by the rule of the Administrator in effect for this section pursuant to Section 1-106 of this title. No more than one delinquency charge may be imposed in each billing cycle and it may be collected at any time after it accrues either independently of any payment made on the account or from a payment made if the lender discloses delinquency charges to the debtor as they are imposed and informs the debtor of the full amount that the debtor must pay for the applicable period in order to remain current on the account.

Added by Laws 1969, c. 352, § 3-203, eff. July 1, 1969. Amended by Laws 1988, c. 35, § 5, operative July 1, 1988; Laws 1989, c. 122, § 4, eff. July 1, 1989; Laws 1997, c. 50, § 1, eff. Nov. 1, 1997.

§14A-3-203.1. Credit to finance medical goods and services - Contract for delinquency charges.

With respect to a revolving loan account or other similar arrangement which may be used by the debtor exclusively for the purpose of obtaining credit to finance medical goods and services, the parties may contract for a delinquency charge on any installment not paid in full within ten (10) days after its scheduled due date in an amount, not exceeding the greater of: Five Dollars (\$5.00) or five percent (5%) of the unpaid amount of the installment. For purposes of this section, the term "installment" shall mean, with respect to a revolving loan account, the minimum periodic payment required to be made by the debtor under the terms of the account agreement between the lender and the debtor.

Added by Laws 1988, c. 114, § 2, emerg. eff. April 6, 1988.

§14A-3-203.2. Revolving loan credit card accounts - Additional charges.

With respect to a consumer revolving loan account accessed by a lender credit card or similar arrangement, the lender may contract for and receive the following charges, in addition to those set forth in Section 3-202 of this title:

- (a) A delinquency charge with respect to any payment due in connection with a billing cycle under the account, to be payable if the payment is not made within ten (10) days after its due date. No more than one delinquency charge may be imposed in each billing cycle and it may be collected at any time after it accrues either independently of any payment made on the account or from a payment made if the lender discloses delinquency charges to the debtor as they are imposed and informs the debtor of the full amount that the debtor must pay for the applicable period in order to remain current on the account;
- (b) An over-limit charge for each time the debtor exceeds the designated credit limit on the account; and
- (c) A returned item charge for each return by a bank or other depository institution of a dishonored check, negotiable order of withdrawal or share draft issued by the debtor in connection with the account.

Added by Laws 1998, c. 352, § 4, eff. July 1, 1998. Amended by Laws 2000, c. 217, § 7, eff. July 1, 2000.

§14A-3-204. Deferral charges.

(1) With respect to any consumer loan, refinancing, or consolidation, the parties before or after default may agree in writing to a deferral of all or part of one or more unpaid installments.

(2) With respect to a consumer loan, refinancing, or consolidation, which is not precomputed, at the time of deferral the debtor may agree in writing to a deferral charge that the lender may make and collect.

(3) With respect to a precomputed consumer loan, refinancing, or consolidation, the lender may make and collect a charge not exceeding the rate previously stated to the debtor pursuant to the provisions on disclosure (Part 3) applied to the amount or amounts deferred for the period of deferral calculated without regard to difference in the lengths of months, but proportionally for a part of a month, counting each day as one-thirtieth (1/30) of a month.

(4) A deferral charge may be collected at the time it is assessed or at any time thereafter.

(5) The lender may, in addition to the deferral charge, make appropriate additional charges (Section 3-202). The amount of these additional charges which is not paid in cash may be added to the amount financed. With respect to a precomputed consumer loan, refinancing, or consolidation, these additional charges not paid in cash may be considered part of the amount deferred for the purpose of calculating the deferral charge.

(6) The parties may agree in writing at the time of a precomputed consumer loan, refinancing, or consolidation that if an installment is not paid within ten (10) days after its due date, the lender may unilaterally grant a deferral and make charges as provided in subsection (3) of this section.

(7) No deferral charge may be made for a period after the date that the lender elects to accelerate the maturity of the agreement, except in circumstances where the lender waives the acceleration and the parties then mutually agree to a deferral.

(8) With respect to a precomputed consumer loan, refinancing, or consolidation, a delinquency charge made by the lender on an installment may not be retained if a deferral charge is made pursuant to this section with respect to the period of delinquency. Added by Laws 1969, c. 352, § 3-204, eff. July 1, 1969. Amended by Laws 2003, c. 65, § 2, emerg. eff. April 10, 2003.

§14A-3-205. Loan finance charge on refinancing.

With respect to a consumer loan, refinancing, or consolidation, other than one made under Section 3-508B of this title, the lender may by agreement with the debtor refinance the unpaid balance and may contract for and receive a loan finance charge based on the principal resulting from the refinancing at a rate not exceeding that permitted by the provisions on loan finance charge for consumer loans (Section 3-201) or the provisions on loan finance charge for supervised loans (Section 3-508A), whichever is appropriate. For the purpose of determining the loan finance charge permitted, other

than in relation to Section 3-508B, the principal resulting from the refinancing comprises the following:

(1) if the transaction was not precomputed, the total of the unpaid balance and the accrued charges on the date of the refinancing, or, if the transaction was precomputed, the amount which the debtor would have been required to pay upon prepayment pursuant to the provisions on rebate upon prepayment (Section 3-210) on the date of refinancing, except that for the purpose of computing this amount no minimum charge (Section 3-210) shall be allowed; and

(2) appropriate additional charges (Section 3-202), payment of which is deferred.

Added by Laws 1969, c. 352, § 3-205, eff. July 1, 1969. Amended by Laws 1997, c. 288, § 2.

§14A-3-206. Loan finance charge on consolidation.

(1) If a debtor owes an unpaid balance to a lender with respect to a consumer loan, refinancing, or consolidation, other than one made under Section 3-508B of this title, and becomes obligated on another consumer loan, refinancing, or consolidation with the same lender, the parties may agree to a consolidation resulting in a single schedule of payments. If the previous consumer loan, refinancing, or consolidation was not precomputed, the parties may agree to add the unpaid amount of principal and accrued charges on the date of consolidation to the principal with respect to the subsequent loan. If the previous consumer loan, refinancing, or consolidation was precomputed, the parties may agree to refinance the unpaid balance pursuant to the provisions on refinancing (Section 3-205) and to consolidate the principal resulting from the refinancing by adding it to the principal with respect to the subsequent loan. In either case the lender may contract for and receive a loan finance charge based on the aggregate principal resulting from the consolidation at a rate not in excess of that permitted by the provisions on loan finance charge for consumer loans (Section 3-201) or the provisions on loan finance charge for supervised loans (Section 3-508A), whichever is appropriate.

(2) The parties may agree to consolidate the unpaid balance of a consumer loan, other than one made under Section 3-508B of this title, with the unpaid balance of a consumer credit sale. The parties may agree to refinance the previous unpaid balance pursuant to the provisions on refinancing sales (Section 2-205) or the provisions on refinancing loans (Section 3-205), whichever is appropriate, and to consolidate the amount financed resulting from the refinancing or the principal resulting from the refinancing by adding it to the amount financed or principal with respect to the subsequent sale or loan. The aggregate amount resulting from the consolidation shall be deemed principal, and the creditor may contract for and receive a loan finance charge based on the

principal at a rate not in excess of that permitted by the provisions on loan finance charge for consumer loans (Section 3-201) or the provisions on loan finance charge for supervised loans (Section 3-508A), whichever is appropriate.

Added by Laws 1969, c. 352, § 3-206, eff. July 1, 1969. Amended by Laws 1997, c. 288, § 3.

§14A-3-207. Conversion to revolving loan account.

The parties may agree to add to a revolving loan account the unpaid balance of a consumer loan, not made pursuant to a revolving loan account, or a refinancing, or consolidation thereof, or the unpaid balance of a consumer credit sale, refinancing, or consolidation. For the purpose of this section

(1) the unpaid balance of a consumer loan, refinancing, or consolidation is an amount equal to the principal determined according to the provisions on refinancing (Section 3-205); and

(2) the unpaid balance of a consumer credit sale, refinancing, or consolidation is an amount equal to the amount financed determined according to the provisions on refinancing (Section 2-205).

Added by Laws 1969, c. 352, § 3-207, eff. July 1, 1969.

§14A-3-208. Advances to perform covenants of debtor.

(1) If the agreement with respect to a consumer loan, refinancing, or consolidation contains covenants by the debtor to perform certain duties pertaining to insuring or preserving collateral and if the lender pursuant to the agreement pays for performance of the duties on behalf of the debtor the lender may add the amounts paid to the debt. In the case of covenants as to duties other than the payment of taxes and insuring the collateral, the lender shall give written notice to the debtor setting forth the duties to be performed and a statement of the amount to be charged for the performance of said duties. Said written notice shall be by certified mail to the last-known address of the debtor, at least thirty (30) days prior to the commencement of the performance of the specified duties, unless otherwise agreed in writing by the lender and debtor. The debtor, prior to commencement of performance, shall have the option to make alternative arrangements for compliance with the covenants. Within a reasonable time after advancing any sums, he shall state to the debtor in writing the amount of the sums advanced, any charges with respect to this amount, and any revised payment schedule, and, if the duties of the debtor performed by the lender pertain to insurance, a brief description of the insurance paid for by the lender including the type and amount of coverages. No further information need be given.

(2) A loan finance charge may be made for sums advanced pursuant to subsection (1) at a rate not exceeding the rate stated

to the debtor pursuant to the provisions on disclosure (Part 3) with respect to the loan, refinancing, or consolidation, except that with respect to a revolving loan account the amount of the advance may be added to the unpaid balance of the debt and the lender may make a loan finance charge not exceeding that permitted by the provisions on loan finance charge for consumer loans (Section 3-201) or for supervised loans (Section 3-508A), whichever is appropriate. Added by Laws 1969, c. 352, § 3-208, eff. July 1, 1969. Amended by Laws 1997, c. 288, § 4.

§14A-3-209. Right to prepay.

Subject to the provisions on rebate upon prepayment (Section 3-210), the debtor may prepay in full the unpaid balance of a consumer loan, refinancing, or consolidation at any time without penalty. Added by Laws 1969, c. 352, § 3-209, eff. July 1, 1969.

§14A-3-210. Revolving charge accounts.

(1) Except as provided in subsection (2), upon prepayment in full of the unpaid balance of a precomputed consumer loan, refinancing, or consolidation, an amount not less than the unearned portion of the loan finance charge calculated according to this section shall be rebated to the debtor. If the rebate otherwise required is less than One Dollar (\$1.00), no rebate need be made.

(2) Upon prepayment in full of a consumer loan other than one pursuant to a revolving loan account, a refinancing, or consolidation, whether or not precomputed, the lender may collect or retain a minimum charge within the limits stated in this subsection if the loan finance charge earned at the time of prepayment is less than any minimum charge contracted for. The minimum charge may not exceed the amount of loan finance charge contracted for, or Five Dollars (\$5.00) in a transaction which had a principal of Seventy-five Dollars (\$75.00) or less, or Seven Dollars and fifty cents (\$7.50) in a transaction which had a principal of more than Seventy-five Dollars (\$75.00).

(3) Except as otherwise provided in this subsection with respect to a loan primarily secured by an interest in land, the unearned portion of the loan finance charge

(a) in a consumer loan payable according to its original terms in more than sixty-one (61) months shall be determined (i) by applying, according to the actuarial method, the disclosed annual percentage rate to the actual unpaid balances of the amount financed for the actual time that the unpaid balances were outstanding as of the date of prepayment, giving effect to each payment, to determine the unearned portion of the loan finance charge, and (ii) subtracting that earned

portion from the loan finance charge to determine the unearned portion of the loan finance charge, or

- (b) in a consumer loan payable according to its original terms in sixty-one (61) months or less, is a fraction of the loan finance charge of which the numerator is the sum of the periodic balances scheduled to follow the computational period in which prepayment occurs, and the denominator is the sum of all periodic balances under either the loan agreement or, if the balance owing resulted from a refinancing (Section 3-205) or a consolidation (Section 3-206), under the refinancing agreement or consolidation agreement. In the case of a loan primarily secured by an interest in land, reasonable sums actually paid or payable to persons not related to the lender for customary closing costs included in the loan finance charge are deducted from the loan finance charge before the calculation prescribed by this subsection is made.

(4) In this section:

- (a) "periodic balance" means the amount scheduled to be outstanding on the last day of a computational period before deducting the payment, if any, scheduled to be made on that day;
- (b) "computational period" means one (1) month if one-half (1/2) or more of the intervals between scheduled payments under the agreement is one (1) month or more, and otherwise means one (1) week;
- (c) the "interval" to the due date of the first scheduled installment or the final scheduled payment date is measured from the date of a loan, refinancing, or consolidation, and includes either the first or last day of the interval; and
- (d) if the interval to the due date of the first scheduled installment does not exceed one (1) month by more than fifteen (15) days when the computational period is one (1) month, or eleven (11) days when the computational period is one (1) week, the interval shall be considered as one computational period.

(5) This subsection applies only if the schedule of payments is not regular.

- (a) If the computational period is one (1) month and
 - (i) if the number of days in the interval to the due date of the first scheduled installment is less than one (1) month by more than five (5) days, or more than one (1) month by more than five (5) but not more than fifteen (15) days, the unearned loan finance charge shall be increased by an

adjustment for each day by which the interval is less than one (1) month and, at the option of the lender, may be reduced by an adjustment for each day by which the interval is more than one (1) month; the adjustment for each day shall be one-thirtieth (1/30) of that part of the loan finance charge earned in the computational period prior to the due date of the first scheduled installment assuming that period to be one (1) month; and

- (ii) if the interval to the final scheduled payment date is a number of computational periods plus an additional number of days less than a full month, the additional number of days shall be considered a computational period only if sixteen (16) days or more. This subparagraph applies whether or not subparagraph (i) applies. (b) Notwithstanding paragraph (a), if the computational period is one (1) month, the number of days in the interval to the due date of the first installment exceeds one (1) month by not more than fifteen (15) days, and the schedule of payments is otherwise regular, the lender may, at his option, exclude the extra days and the charge for the extra days in computing the unearned loan finance charge; but if he does so and a rebate is required before the due date of the first scheduled installment, he shall compute the earned charge for each elapsed day as one-thirtieth (1/30) of the amount the earned charge would have been if the first interval had been one (1) month.
- (c) If the computational period is one (1) week and
 - (i) if the number of days in the interval to the due date of the first scheduled installment is less than five (5) days, or more than nine (9) days but not more than eleven (11) days, the unearned loan finance charge shall be increased by an adjustment for each day by which the interval is less than seven (7) days and, at the option of the lender, may be reduced by an adjustment for each day by which the interval is more than seven (7) days; the adjustment for each day shall be one-seventh (1/7) of that part of the loan finance charge earned in the computational period prior to the due date of the first scheduled installment assuming that period to be one (1) week; and

- (ii) if the interval to the final scheduled payment date is a number of computational periods plus an additional number of days less than a full week, the additional number of days shall be considered a computational period only if four (4) days or more. This subparagraph applies whether or not subparagraph (i) applies.

(6) If a deferral (Section 3-204) has been agreed to, the unearned portion of the loan finance charge shall be computed without regard to the deferral. The amount of deferral charge earned at the date of prepayment shall also be calculated. If the deferral charge earned is less than the deferral charge paid, the difference shall be added to the unearned portion of the loan finance charge. If any part of a deferral charge has been earned but has not been paid, that part shall be subtracted from the unearned portion of the loan finance charge, or shall be added to the unpaid balance.

(7) This section does not preclude the collection or retention by the lender of delinquency charges (Section 3-203).

(8) If the maturity is accelerated for any reason and judgment is obtained, the debtor is entitled to the same rebate as if the payment had been made on the date judgment is entered.

(9) Upon prepayment in full of a consumer loan by the proceeds of consumer credit insurance (Section 4-103), the debtor or his estate is entitled to the same rebate as though the debtor had prepaid the agreement on the date the proceeds of the insurance are paid to the lender.

Added by Laws 1969, c. 352, § 3-210, eff. July 1, 1969. Amended by Laws 1986, c. 282, § 2, eff. Nov. 1, 1986.

§14A-3-211. Fee for small loans - Payments to Consumer Credit Counseling Revolving Fund and Personal Financial Literacy Education Revolving Fund.

A. Each licensee authorized to make small loans shall pay thirty cents (\$0.30) for each loan entered into to be deposited into the Consumer Credit Counseling Revolving Fund and the Personal Financial Literacy Education Revolving Fund as follows:

1. Eight cents (\$0.08) of each thirty-cent payment shall be deposited into the Consumer Credit Counseling Revolving Fund; and

2. Twenty-two cents (\$0.22) of each thirty-cent payment shall be paid to the Office of the State Treasurer for deposit into the Personal Financial Literacy Education Revolving Fund.

B. The schedule for payment into the Consumer Credit Counseling Revolving Fund shall be determined by the Administrator of Consumer Credit. The schedule for payments to the Office of the State Treasurer for deposit into the Personal Financial Literacy Education Revolving Fund shall be made by each lender quarterly.

C. Ten percent (10%) of each scheduled payment of fees pursuant to this section made into the Consumer Credit Counseling Revolving Fund may be transferred to the Consumer Credit Administrative Expenses Revolving Fund established in Section 6-301 of Title 14A of the Oklahoma Statutes for expenses incurred by the Administrator of Consumer Credit in administering the requirements of subsection D of this section.

D. Funds collected and deposited in the Consumer Credit Counseling Revolving Fund pursuant to this section shall be paid by the Administrator of Consumer Credit to a third-party, Oklahoma-based consumer credit counseling provider with a verifiable history of work with both industry and consumers in the appropriate field for a program of research and implementation of voluntary consumer counseling and education specifically designed for consumers utilizing deferred deposit loans. The program shall be:

1. Selected by a bid process, pursuant to The Oklahoma Central Purchasing Act; and

2. Designed in consultation with representatives of both the industry and consumers.

E. Funds paid to the Office of the State Treasurer for deposit into the Personal Financial Literacy Education Revolving Fund pursuant to this section shall be used by the State Department of Education for purposes provided in Section 11-103.6h of Title 70 of the Oklahoma Statutes.

Added by Laws 2004, c. 557, § 9, emerg. eff. June 10, 2004. Amended by Laws 2010, c. 415, § 36, eff. July 1, 2010; Laws 2017, c. 279, § 2, eff. July 1, 2017; Laws 2019, c. 89, § 30, eff. Aug. 1, 2020. Renumbered from § 3119 of Title 59 by Laws 2019, c. 89, § 32, eff. Aug. 1, 2020.

§14A-3-301. Applicability - Information required.

- (1) For purposes of this part, this part covers and consumer loan includes a loan secured primarily by an interest in land without regard to the rate of the loan finance charge if the loan is otherwise a consumer loan as defined by Section 3-104 of this title; a loan in which the debt is secured by personal property in which a security interest is or will be acquired which is used or expected to be used as the principal dwelling of the consumer without regard to the amount of the amount financed, if the loan is otherwise a consumer loan; and loan transactions in which any card issuer extends credit that is not subject to a finance charge and that is not payable by written agreement in four or more installments.

- (2) The lender shall disclose to the debtor to whom credit is extended with respect to a consumer loan the information required by either this part or the Federal Consumer Credit Protection Act and compliance with either is sufficient.

(3) For the purposes of subsection (2) information which would otherwise be required pursuant to the Federal Consumer Credit Protection Act is sufficient even though the transaction is one of a class of credit transactions exempted from that act pursuant to regulation of the Board of Governors of the Federal Reserve System.

(4) A person who regularly arranges for the extension of consumer loans which are payable in four or more installments or for which the payment of a finance charge is or may be required from persons who are not subject to disclosure duties shall make the disclosures required of a lender under this part.

(5) In the case of an application to open an account under any revolving loan account plan described in Section 3-309.2 of this title which is provided to a consumer by any person other than the creditor:

- (a) such person shall provide such consumer with:
 - (i) the disclosures required under subsection (1) of Section 3-309.2 of this title with respect to such plan, in accordance with subsection (9) of Section 3-302 of this title; and
 - (ii) the pamphlet required under subsection (3) of Section 3-309.2 of this title; or
- (b) if such person cannot provide specific terms about the plan because specific information about the plan terms is not available, no nonrefundable fee may be imposed in connection with such application before the end of the three-day period beginning on the date the consumer receives the disclosures required under subsection (1) of Section 3-309.2 of this title with respect to the application.

(6) For purposes of this part, the terms "creditor", "card issuer", "applicant", "card holder", "dwelling" and "consumer" have the same meanings those terms have in the Federal Consumer Credit Protection Act, as limited by the subject matter of this article.

(7) The fact a charge or fee or a practice is mentioned in this part does not itself serve to authorize it or to remove any limitation in this title applicable to it.

Added by Laws 1969, c. 352, § 3-301, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 7; Laws 1982, c. 335, § 37, operative Oct. 1, 1982; Laws 1990, c. 260, § 21, operative July 1, 1990.

§14A-3-301.1. Federal Consumer Credit Protection Act disclosure.

Effective July 1, 2014, the lender shall disclose to the debtor to whom credit is extended with respect to a consumer loan the information required by the Federal Consumer Credit Protection Act as defined in Section 1-302 of Title 14A of the Oklahoma Statutes. Added by Laws 2014, c. 159, § 2, eff. July 1, 2014.

§14A-3-302. Repealed by Laws 2014, c. 159, § 4, eff. July 1, 2014.

§14A-3-302.1. Disclosure of fee for dishonored check, negotiable order of withdrawal or share draft.

The seller or lender shall disclose to the buyer or debtor the fact that such a fee will be charged and collected for dishonored checks, negotiable orders of withdrawal or share drafts issued by the buyer or debtor.

Added by Laws 1984, c. 51, § 3, emerg. eff. March 28, 1984.

§14A-3-302.2. Disclosure of over-the-limit fees.

The seller or lender shall disclose to the buyer or debtor in the credit card agreement or similar arrangement if over-the-limit fees permitted by law will be charged and collected for exceeding the designated credit limit on a revolving charge account or revolving loan account.

Added by Laws 1988, c. 35, § 7, operative July 1, 1988. Amended by Laws 1989, c. 122 § 5, eff. July 1, 1989.

§14A-3-303. Overstatement.

The disclosure of an amount or percentage which is greater than the amount or percentage required to be disclosed under this part does not in itself constitute a violation of this part if the overstatement is not materially misleading and is not used to avoid meaningful disclosure.

Added by Laws 1969, c. 352, § 3-303, eff. July 1, 1969.

§14A-3-304. Calculation of rate to be disclosed.

(1) Except as otherwise specifically provided, if a lender is required to give to a debtor a statement of the rate of the loan finance charge, the lender shall state the rate in terms of an annual percentage rate as defined in subsection (2) or in terms of a corresponding nominal annual percentage rate as defined in subsection (3), whichever is appropriate.

(2) "Annual percentage rate"

(a) with respect to a consumer loan other than one made pursuant to a revolving loan account, is either:

- (i) that nominal annual percentage rate which, when applied to the unpaid balances of the principal calculated according to the actuarial method, will yield a sum equal to the amount of the loan finance charge; or
- (ii) that rate determined by any method prescribed by rule by the Administrator as a method which materially simplifies computation while retaining reasonable accuracy as compared with the rate determined pursuant to subparagraph (i);

(b) with respect to a consumer loan made pursuant to a revolving loan account, is the quotient expressed as a percentage of the total loan finance charge for the period to which it relates divided by the amount upon which the loan finance charge for that period is based, multiplied by the number of these periods in a year.

(3) "Corresponding nominal annual percentage rate" is the percentage or percentages used to calculate the loan finance charge for one billing cycle or other period pursuant to a revolving loan account multiplied by the number of billing cycles or periods in a year.

(4) If a lender is permitted to make the same loan finance charge for all principal amounts within a specified range under subsection (5) of Section 3-201 of this title or for all balances within a specified range, under subsection (4) of Section 3-201 and subsection (5) of Section 3-508A of this title, the lender shall state the annual percentage rate or corresponding nominal annual percentage rate, whichever is appropriate, as applied to the median amount of the range within which the actual principal amount or balance is included.

(5) A statement of rate complies with this part if it does not vary from the accurately computed rate by more than the following tolerances:

- (a) the annual percentage rate may be rounded to the nearest quarter of one percent ($1/4$ of 1%) or may fall within a tolerance not greater than one-eighth of one percent ($1/8$ of 1%) more or less than the actual rate for consumer loans payable in substantially equal installments when a lender determines the total loan finance charge on the basis of a single add-on, discount, periodic, or other rate, and the rate is converted into an annual percentage rate under procedures prescribed by rule by the Administrator;
- (b) the Administrator may authorize by rule the use of rate tables or charts which may provide for the disclosure of annual percentage rates which vary from the rate determined in accordance with paragraph (a) by not more than the tolerances the Administrator may allow; the Administrator may not allow a tolerance greater than eight percent (8%) of that rate except to simplify compliance where irregular payments are involved; and
- (c) in case a lender determines the annual percentage rate in a manner other than as described in paragraph (a) or (b), the Administrator may authorize by rule other reasonable tolerances.

(6) In connection with credit transactions not under an open-end credit plan that are secured by real property or a dwelling, the disclosure of the finance charge and other disclosures affected by any finance charge:

- (a) shall be treated as being accurate for purposes of this title if the amount disclosed as the finance charge:
 - (i) does not vary from the actual finance charge by more than One Hundred Dollars (\$100.00); or
 - (ii) is greater than the amount required to be disclosed under this title; and
- (b) shall be treated as being accurate for purposes of Section 5-204 of this title if:
 - (i) except as provided in subparagraph (ii) of this paragraph, the amount disclosed as the finance charge does not vary from the actual finance charge by more than an amount equal to one-half of one percent ($1/2$ of 1%) of the total amount of credit extended; or
 - (ii) in the case of a transaction, other than a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title, which:
 - (aa) is a refinancing of the principal balance then due and any accrued and unpaid finance charges of a residential mortgage transaction as defined in subsection (17) of Section 1-301 of this title, or is any subsequent refinancing of such a transaction; and
 - (bb) does not provide any new consolidation or new advance;

if the amount disclosed as the finance charge does not vary from the actual finance charge by more than an amount equal to one percent (1%) of the total amount of credit extended.

Added by Laws 1969, c. 352, § 3-304, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 39, operative Oct. 1, 1982; Laws 2000, c. 217, § 9, eff. July 1, 2000.

§14A-3-305. Loans made by telephone or mail.

With respect to a consumer loan, other than a loan made pursuant to a revolving loan account, if the lender receives a request for an extension of credit by mail or telephone without personal solicitation, the lender complies with this part if the lender's printed material distributed to the public or the loan agreement or other printed material delivered to the debtor sets forth the terms of financing, including the annual percentage rate for representative amounts of credit, and if he gives the information

required by this part on or before the date the first payment is due on the loan.

Added by Laws 1969, c. 352, § 3-305, eff. July 1, 1969.

§14A-3-306. Consumer loans not pursuant to revolving loan account.

(1) This section applies to a consumer loan not made pursuant to a revolving loan account under Section 3-309 of this title.

(2) The lender shall give to the debtor the following information:

(a) The identity of the lender required to make disclosure.

(b) (i) The amount financed, using that term, which shall be the amount of credit of which the debtor has actual use. This amount shall be computed as follows, but the computations need not be disclosed and shall not be disclosed with the disclosures conspicuously segregated in accordance with the rule of the Administrator:

- (aa) take the principal amount of the loan;
- (bb) add any charges which are not part of the finance charge or of the principal amount of the loan and which are financed by the debtor, including the cost of any items excluded from the finance charge pursuant to Section 3-202 of this title; and
- (cc) subtract any charges which are part of the finance charge but which will be paid by the debtor before or at the time of the consummation of the transaction, or have been withheld from the proceeds of the credit.

(ii) In conjunction with the disclosure of the amount financed, a lender shall provide a statement of the debtor's right to obtain, upon a written request, a written itemization of the amount financed. The statement shall include spaces for a "yes" and "no" indication to be initialed by the debtor to indicate whether the debtor wants a written itemization of the amount financed. Upon receiving an affirmative indication, the lender shall provide, at the time other disclosures are required to be furnished, a written itemization of the amount financed. For the purposes of this subparagraph, "itemization of the amount financed" means a disclosure of the following items, to the extent applicable:

- (aa) the amount that is or will be paid directly to the debtor;
 - (bb) the amount that is or will be credited to the debtor's account to discharge obligations owed to the lender;
 - (cc) each amount that is or will be paid to third persons by the lender on the debtor's behalf, together with an identification of or reference to the third person; and
 - (dd) the total amount of any charges described in the division (cc) of subparagraph (i) of this paragraph.
- (c) The "finance charge", not itemized, using that term.
 - (d) The finance charge expressed as an "annual percentage rate", using that term. This shall not be required if the amount financed does not exceed Seventy-five Dollars (\$75.00) and the finance charge does not exceed Five Dollars (\$5.00), or if the amount financed exceeds Seventy-five Dollars (\$75.00) and the finance charge does not exceed Seven Dollars and fifty cents (\$7.50).
 - (e) The sum of the amount financed and the finance charge, which shall be termed the "total of payments".
 - (f) The number, amount, and due dates or period of payments scheduled to repay the total of payments.
 - (g) Descriptive explanations of the terms "amount financed", "finance charge", "annual percentage rate" and "total of payments", as specified by the Administrator.
 - (h) Where the credit is secured, a statement that a security interest has been taken in (i) the property which is purchased as part of the credit transaction, or (ii) property not purchased as part of the credit transaction identified by item or type.
 - (i) Any dollar charge or percentage amount which may be imposed by a lender solely on account of a late payment, other than a deferral or extension charge.
 - (j) A statement indicating whether or not the debtor is entitled to a rebate of any finance charge upon refinancing or prepayment in full pursuant to acceleration or otherwise, if the obligation involves a precomputed finance charge. A statement indicating whether or not a penalty will be imposed in those same circumstances if the obligation involves a finance charge computed from time to time by application of a rate to the unpaid principal balance.

- (k) A statement that the debtor should refer to the appropriate contract document for any information such document provides about nonpayment, default, the right to accelerate the maturity of the debt, and prepayment rebates and penalties.
- (l) In any transaction in which a mortgage, deed of trust, or equivalent consensual security interest is created or retained against the debtor's dwelling to finance the acquisition or initial construction of the dwelling, a statement indicating whether a subsequent purchaser or assignee of the debtor may assume the debt obligation on its original terms and conditions.
- (m) In the case of any variable interest rate residential mortgage transaction, in disclosures provided at application as prescribed by the Administrator for a variable rate transaction secured by the consumer's principal dwelling, at the option of the creditor, a statement that the periodic payments may increase or decrease substantially, and the maximum interest rate and payment for a ten-thousand-dollar loan originated at a recent interest rate, as determined by the Administrator, assuming the maximum periodic increases in rates and payments under the program, or a historical example illustrating the effects of interest rate changes implemented according to the loan program.

(3) Except as rules of the Administrator may provide, if a lender makes a binding commitment to make a consumer loan by allowing the debtor to draw on the lender and at the time the commitment is made the amount of the loan has not been determined, the lender shall then give to the debtor a statement of the terms under which the loan will be made, including the rate of the loan finance charge calculated in accordance with the provisions on calculation of rate under Section 3-304 of this title. If the rate of the loan finance charge varies according to the amount of the loan, the lender shall state the minimum and maximum annual percentage rates which would be applicable to the amounts which could be drawn pursuant to the commitment. If additional charges under Section 3-202 of this title may be made, the lender shall also state the conditions under which the charges may be made, the amount or method of computing the charges, and a brief description or identification of the charges. Within a reasonable time after the loan is made, and in any event on or before the due date of the first installment, the lender shall give the information required by this section.

Added by Laws 1969, c. 352, § 3-306, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 8; Laws 1982, c. 335, § 40, operative Oct. 1, 1982; Laws 2000, c. 217, § 10, eff. July 1, 2000.

§14A-3-307. Refinancing.

(1) Except as rules adopted by the Administrator not inconsistent with the Federal Consumer Credit Protection Act may otherwise prescribe, if the lender refinances an existing balance owing with respect to a consumer loan, refinancing or consolidation pursuant to the provisions on refinancing (Section 3-205) or consolidates an existing balance owing from a previous consumer loan, refinancing, or consolidation with the amount financed from a subsequent consumer loan, refinancing, or consolidation or consolidates the unpaid balance of a consumer loan with the unpaid balance of a consumer credit sale so as to satisfy any existing balance and replace it with a new obligation undertaken by the same debtor, the lender shall make disclosure with respect to the new transaction to the debtor of the information and in the manner required by this part.

(2) A refinancing does not include:

- (a) a renewal of a single payment obligation with no change in the original terms;
- (b) a reduction in the annual percentage rate with a corresponding change in the payment schedule;
- (c) an agreement involving a court proceeding;
- (d) a change in the payment schedule or a change in collateral requirements as a result of the debtor's default or delinquency unless the rate is increased or the new amount financed exceeds the unpaid balance plus earned finance charge and premiums for continuation of consumer credit insurance or insurance against loss of or damage to property or against liability arising out of the ownership or use of property; or
- (e) the renewal of optional insurance purchased by the debtor and added to an existing transaction if disclosures relating to the initial purchase were provided in accordance with law.

Added by Laws 1969, c. 352, § 3-307, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 41, operative Oct. 1, 1982.

§14A-3-308. Assumption.

If a lender expressly agrees in writing with a subsequent debtor to accept that debtor as a primary obligor on an existing transaction in which a mortgage, deed of trust, or equivalent consensual security interest was created or retained in the original debtor's principal dwelling to finance the acquisition or initial

construction of it, before the assumption occurs the lender shall make new disclosures to the subsequent debtor based on the remaining obligation. If the finance charge originally imposed on the existing obligation was an add-on or discount finance charge, the lender need only disclose the unpaid balance of the obligation assumed; the total charges imposed by the lender in connection with the assumption; the information required in the case of new disclosures concerning prepayment, late payment, security interests and to exclude premiums for consumer credit and property and liability insurance from the finance charge; the annual percentage rate originally imposed on the obligation; and the payment schedule and total of payments based on the remaining obligation. Added by Laws 1969, c. 352, § 3-308, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 42, operative Oct. 1, 1982.

§14A-3-309. Revolving loan accounts.

(1) Before opening any account under a revolving loan account plan, the creditor shall give to the consumer the following information:

- (a) conditions under which a loan finance charge may be made, including the time period, if any, within which any credit extended may be repaid without incurring a loan finance charge, except that the creditor may, at his election and without disclosure, impose no such loan finance charge if payment is received after the termination of such period. If no time period is provided, the creditor shall disclose that fact;
- (b) method of determining the balance upon which a loan finance charge will be computed;
- (c) method of determining the amount of the loan finance charge including any minimum or fixed amount imposed as a finance charge, and where one or more periodic rates may be used to compute the loan finance charge, each such rate and the range of balances to which it is applicable;
- (d) corresponding nominal annual percentage rate pursuant to subsection (3) of Section 3-304 of this title; if more than one corresponding nominal annual percentage rate may be used, each corresponding nominal annual percentage rate shall be stated;
- (e) identification of additional charges which may be made and the method by which they will be determined;
- (f) in cases where the creditor may retain or acquire a security interest in property to secure the balances resulting from credit extensions made pursuant to the revolving loan account, a statement that a security interest has been or will be taken in the property

purchased as part of the credit transaction or property not purchased as part of the credit transaction identified by item or type;

- (g) a statement in a form prescribed by and describing the protection provided by Sections 161 and 170 of the Federal Consumer Credit Protection Act to an obligor and the responsibility of a creditor under Sections 162 and 170 of the Federal Consumer Credit Protection Act; and
- (h) in the case of any account under a revolving loan account plan which provides for any extension of credit which is secured by the consumer's principal dwelling, any information which:
 - (i) is required to be disclosed under subsection (1) of Section 3-309.2 of this title; and
 - (ii) the Administrator determines is not described in any other paragraph of this subsection.

(2) If there is an outstanding balance at the end of the billing cycle or if a loan finance charge is made with respect to the billing cycle, the creditor shall give to the consumer the following information within a reasonable time after the end of the billing cycle:

- (a) outstanding balance at the beginning of the billing cycle;
- (b) the amount and date of each extension of credit made during the billing cycle and a brief identification of each extension of credit on or accompanying the statement in a form prescribed by regulations of the Administrator to enable the consumer to identify the transaction, or relate it to copies of sale vouchers or similar instruments previously furnished, except that a creditor's failure to disclose information in accordance with this paragraph shall not be deemed a failure to comply with this part if the creditor maintains procedures reasonably adapted to procure and provide such information and the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount in accordance with Section 161 of the Federal Consumer Credit Protection Act. In lieu of complying with the requirements of the previous sentence and to the extent permitted by rule of the Administrator, in the case of any transaction in which the creditor and a seller are related persons as defined by the Administrator and the revolving loan account plan has fewer than fifteen thousand (15,000) accounts, the creditor may elect to provide only the

amount and date of each extension of credit during the billing cycle and the seller's name and location where the transaction took place if a brief identification of the transaction has been previously furnished and the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount in accordance with Section 161 of the Federal Consumer Credit Protection Act;

- (c) amount credited to the account during the billing cycle;
- (d) amount of loan finance charge debited during the billing cycle, with an itemization or explanation to show the total amount of loan finance charge, if any, due to the application of one or more periodic percentages and the amount, if any, imposed as a minimum or fixed charge;
- (e) the periodic percentage used to calculate the loan finance charge; if more than one periodic percentage is used, each percentage and the amount of the balance to which each applies shall be disclosed;
- (f) the balance on which the loan finance charge is computed and a statement of how the balance is determined; if the balance is determined without first deducting all amounts credited during the period, that fact and the amounts credited shall also be stated;
- (g) if the loan finance charge for the billing cycle exceeds fifty cents (\$0.50) for a monthly or longer billing cycle, or the pro rata part of the fifty cents (\$0.50) for a billing cycle shorter than monthly, the loan finance charge expressed as an annual percentage rate pursuant to paragraph (b) of subsection (2) of Section 3-304 of this title; if more than one periodic percentage is used to calculate the loan finance charge, the creditor, in lieu of stating a single annual percentage rate, may state more than one annual percentage rate and the amount of the balance to which each annual percentage rate applies;
- (h) if the loan finance charge for the billing cycle does not exceed fifty cents (\$0.50) for a monthly or longer billing cycle, or the pro rata part of fifty cents (\$0.50) for a billing cycle shorter than monthly, the corresponding nominal annual percentage rate pursuant to subsection (3) of Section 3-304 of this title;
- (i) outstanding balance at the end of the billing cycle;
- (j) date by which or period, if any, within which payment must be made to avoid additional loan finance charges,

except that the creditor may, at his election and without disclosure, impose no such additional loan finance charge if payment is received after such date or the termination of such period;

- (k) address to be used by the creditor for the purpose of receiving billing inquiries;
- (l) a written statement in the following form: "Minimum Payment Warning: Making only the minimum payment will increase the amount of interest you pay and the time it takes to repay your balance."; and
- (m) repayment information that would apply to the outstanding balance of the consumer under the credit plan, including:
 - (i) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made,
 - (ii) the total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made,
 - (iii) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in thirty-six (36) months, if no further advances are made, and the total cost to the consumer, including interest and principal payments, of paying that balance in full if the consumer pays the balance over thirty-six (36) months, and
 - (iv) a toll-free telephone number at which the consumer may receive information about accessing credit counseling and debt management services;

In making the disclosures under this paragraph, the creditor shall apply the interest rate or rates in effect on the date on which the disclosure is made until the date on which the balance would be paid in full. If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest

- rate based on the index or formula in effect on the applicable billing date.
- (3) (a) All of the information described in paragraph (m) of subsection (2) of this section shall:
- (i) be disclosed in the form and manner which the Administrator shall prescribe, by regulation, and in a manner that avoids duplication, and
 - (ii) be placed in a conspicuous and prominent location on the billing statement;
- (b) in the regulations prescribed under paragraph (a) of this subsection, the Administrator shall require that the disclosure of such information shall be in the form of a table that:
- (i) contains clear and concise headings for each item of such information, and
 - (ii) provides a clear and concise form stating each item of information required to be disclosed under each such heading;
- (c) in prescribing the form of the table under paragraph (b) of this subsection, the Administrator shall require that:
- (i) all of the information in the table, and not just a reference to the table, be placed on the billing statement, as required by this section, and
 - (ii) the items required to be included in the table shall be listed in the order in which such items are set forth in paragraph (m) of subsection (2) of this section; and
- (d) in prescribing the form of the table under paragraph (b) of this subsection, the Administrator shall employ terminology which is different than the terminology which is employed in paragraph (m) of subsection (2) of this section, if such terminology is more easily understood and conveys substantially the same meaning.
- (4) (a) In the case of a credit card account under an open-end consumer credit plan under which a late fee or charge may be imposed due to the failure of the obligor to make payment on or before the due date for such payment, the periodic statement required with respect to the account shall include, in a conspicuous location on the billing statement, the date on which the payment is due or, if different, the date on which a late payment fee will be charged, together with the amount of the fee or charge to be imposed if payment is made after that date.

- (b) if one or more late payments under an open-end consumer credit plan may result in an increase in the annual percentage rate applicable to the account, the statement required with respect to the account shall include conspicuous notice of such fact, together with the applicable penalty annual percentage rate, in close proximity to the disclosure required under paragraph (a) of this subsection of the date on which payment is due under the terms of the account.
- (c) if the creditor, in the case of a credit card account referred to in paragraph (a) of this subsection, is a financial institution which maintains branches or offices at which payments on any such account are accepted from the obligor in person, the date on which the obligor makes a payment on the account at such branch or office shall be considered to be the date on which the payment is made for purposes of determining whether a late fee or charge may be imposed due to the failure of the obligor to make payment on or before the due date for such payment.

Added by Laws 1969, c. 352, § 3-309, eff. July 1, 1969. Amended by Laws 1976, c. 263, § 2, emerg. eff. June 17, 1976; Laws 1982, c. 335, § 43, operative Oct. 1, 1982; Laws 1990, c. 260, § 23, operative July 1, 1990; Laws 2013, c. 99, § 4, eff. July 1, 2013.

§14A-3-309.1. Disclosure in credit and charge card applications and solicitation.

Disclosure in credit and charge card applications and solicitation:

(1) Any application to open a credit card account for any person under a revolving loan account plan, or a solicitation to open such an account without requiring an application that is mailed to consumers shall disclose the following information, subject to subsection (8) of this section and subsections (5) through (8) of Section 3-302 of this title.

- (a) Each annual percentage rate applicable to extensions of credit under such credit plan.
- (b) Where an extension of credit is subject to a variable rate, the fact that the rate is variable, the annual percentage rate in effect at the time of the mailing, and how the rate is determined.
- (c) Where more than one rate applies, the range of balances to which each rate applies.
- (d) Any annual fee, other periodic fee, or membership fee imposed for the issuance or availability of a credit card, including any account maintenance fee or other

charge imposed based on activity or inactivity for the account during the billing cycle.

- (e) Any minimum finance charge imposed for each period during which any extension of credit which is subject to a finance charge is outstanding.
- (f) Any transaction charge imposed in connection with use of the card to purchase goods or services.
- (g) The date by which or the period within which any credit extended under such credit plan for purchases of goods or services must be repaid to avoid incurring a loan finance charge, and, if no such period is offered, such fact shall be clearly stated.
- (h) If the length of such "grace period" varies, the card issuer may disclose the range of days in the grace period, the minimum number of days in the grace period, or the average number of days in the grace period, if the disclosure is identified as such.
- (i) The name of the balance calculation method used in determining the balance on which the loan finance charge is computed if the method used has been defined by the Administrator, or a detailed explanation of the balance calculation method used if the method has not been so defined.
- (j) In prescribing rules to carry out the requirements of paragraph (i) of this subsection, the Administrator shall define and name not more than the five balance calculation methods determined by the Administrator to be the most commonly used methods.

(2) In addition to the information required to be disclosed under subsection (1) of this section each application or solicitation to which such subsection applies shall disclose clearly and conspicuously the following information, subject to subsections (8) and (9) of this section:

- (a) Any fee imposed for an extension of credit in the form of cash.
 - (b) Any fee imposed for a late payment.
 - (c) Any fee imposed in connection with an extension of credit in excess of the amount of credit authorized to be extended with respect to such account.
- (3) (a) In any telephone solicitation to open a credit card account for any person under a revolving loan account plan, the person making the solicitation shall orally disclose the information described in subsection (1) of this section.
- (b) Paragraph (a) of this subsection shall not apply to any telephone solicitation if:
 - (i) the credit card issuer:

- (aa) does not impose any fee described in paragraph (d) of subsection (1) of this section, or
 - (bb) does not impose any fee in connection with telephone solicitations unless the consumer signifies acceptance by using the card;
 - (ii) the card issuer discloses clearly and conspicuously in writing the information described in subsections (1) and (2) of this section within thirty (30) days after the consumer requests the card, but in no event later than the date of delivery of the card; and
 - (iii) the card issuer discloses clearly and conspicuously that the consumer is not obligated to accept the card or account and the consumer will not be obligated to pay any of the fees or charges disclosed unless the consumer elects to accept the card or account by using the card.
- (4) (a) Any application to open a credit card account for any person under a revolving loan account plan, and any solicitation to open an account without requiring an application, that is made available to the public or contained in catalogs, magazines or other publications shall meet the disclosure requirements of paragraph (b), (c), or (d) of this subsection.
- (b) An application or solicitation described in paragraph (a) of this subsection meets the requirement of this paragraph if such application or solicitation contains:
 - (i) the information:
 - (aa) described in subsection (1) of this section in the form required under subsections (5) through (8) of Section 3-302 of this title subject to subsection (8) of this section; and
 - (bb) described in subsection (2) of this section in a clear and conspicuous form, subject to subsections (8) and (9) of this section;
 - (ii) a statement, in a conspicuous and prominent location on the application or solicitation, that:
 - (aa) the information is accurate as of the date the application or solicitation was printed;
 - (bb) the information contained in the application or solicitation is subject to change after such date; and

- (cc) the applicant should contact the creditor for information on any change in the information contained in the application or solicitation since it was printed;
 - (iii) a clear and conspicuous disclosure of the date the application or solicitation was printed; and
 - (iv) a disclosure, in a conspicuous and prominent location on the application or solicitation, of a toll free telephone number or a mailing address at which the applicant may contact the creditor to obtain any change in the information provided in the application or solicitation since it was printed.
- (c) An application or solicitation described in paragraph (a) of this subsection meets the requirement of this paragraph if such application or solicitation:
- (i) contains a statement, in a conspicuous and prominent location on the application or solicitation, that:
 - (aa) there are costs associated with the use of credit cards; and
 - (bb) the applicant may contact the creditor to request disclosure of specific information of such costs by calling a toll free telephone number or by writing to an address specified in the application;
 - (ii) contains a disclosure, in a conspicuous and prominent location on the application or solicitation, of a toll free telephone number and a mailing address at which the applicant may contact the creditor to obtain such information; and
 - (iii) does not contain any of the items described in subsections (1) and (2) of this section.
- (d) An application or solicitation meets the requirements of this subsection if it contains, or is accompanied by:
- (i) the disclosures required by paragraphs (a) through (f) of subsection (1) of Section 3-309 of this title;
 - (ii) the disclosures required by subsections (1) and (2) of this section included clearly and conspicuously, except that the provisions of subsections (5) through (8) of Section 3-302 of this title shall not apply; and

- (iii) a toll free telephone number or a mailing address at which the applicant may contact the creditor to obtain any change in the information provided.
- (e) Upon receipt of a request for any of the information referred to in paragraph (b), (c) or (d) of this subsection, the card issuer or the agent of such issuer shall promptly disclose all of the information described in subsections (1) and (2) of this section.
- (5) (a) Any application or solicitation to open a charge card account shall disclose clearly and conspicuously the following information in the form required by subsections (5) through (8) of Section 3-302 of this title subject to subsection (8) of this section:
 - (i) Any annual fee, other periodic fee, or membership fee imposed for the issuance or availability of the charge card, including any account maintenance fee or other charge imposed based on activity or inactivity for the account during the billing cycle.
 - (ii) Any transaction charge imposed in connection with use of the card to purchase goods or services.
 - (iii) A statement that charges incurred by use of the charge card are due and payable upon receipt of a periodic statement rendered for such charge card account.
- (b) In addition to the information required to be disclosed under paragraph (a) of this subsection each written application or solicitation to which such paragraph applies shall disclose clearly and conspicuously the following information, subject to subsections (8) and (9) of this section:
 - (i) Any fee imposed for an extension of credit in the form of cash.
 - (ii) Any fee imposed for a late payment.
 - (iii) Any fee imposed in connection with an extension of credit in excess of the amount of credit authorized to be extended with respect to such account.
- (c) Any application to open a charge card account, and any solicitation to open such an account without requiring an application, that is made available to the public or contained in catalogs, magazines, or other publications shall contain:
 - (i) the information:
 - (aa) described in paragraph (a) of this subsection in the form required under subsections (5) through (8) of Section 3-302

- of this title subject to subsection (8) of this section; and
- (bb) described in paragraph (b) of this subsection in a clear and conspicuous form, subject to subsections (8) and (9) of this section;
- (ii) a statement, in a conspicuous and prominent location on the application or solicitation, that:
 - (aa) the information is accurate as of the date the application or solicitation was printed;
 - (bb) the information contained in the application or solicitation is subject to change after such date; and
 - (cc) the applicant should contact the creditor for information on any change in the information contained in the application or solicitation since it was printed;
- (iii) a clear and conspicuous disclosure of the date the application or solicitation was printed; and
- (iv) a disclosure, in a conspicuous and prominent location on the application or solicitation, of a toll free telephone number or a mailing address at which the applicant may contact the creditor to obtain any change in the information provided in the application or solicitation since it was printed.
- (d) If a charge card permits the card holder to receive an extension of credit under a revolving loan account plan which is not maintained by the charge card issuer the charge card issuer may provide the information described in paragraphs (a) and (b) of this subsection in the form required by such paragraphs in lieu of the information required to be provided under subsection (1), (2), (3) or (4) of this section with respect to any credit extended under such plan, if the charge card issuer discloses clearly and conspicuously to the consumer in the application or solicitation that:
 - (i) the charge card issuer will make an independent decision as to whether to issue the card;
 - (ii) the charge card may arrive before the decision is made with respect to an extension of credit under a revolving loan account plan; and
 - (iii) approval by the charge card issuer does not constitute approval by the issuer of the extension of credit.

- (e) The information required to be disclosed under subsections (1) and (2) of this section shall be provided to the charge card holder by the creditor which maintains such revolving loan account plan before the first extension of credit under such plan.
- (f) For the purposes of this subsection, the term "charge card" means a card, plate, or other single credit device that may be used from time to time to obtain credit which is not subject to a finance charge.

(6) The Administrator may, by rule, require the disclosure of information in addition to that otherwise required by subsections (1) through (7) of this section, and modify any disclosure of information required by subsections (1) through (7) of this section, in any application to open a credit card account for any person under a revolving loan account plan or any application to open a charge card account for any person, or a solicitation to open any such account without requiring an application, if the Administrator determines that such action is necessary to carry out the purposes of, or prevent evasions of, any subsection of this section.

(7) (a) A card issuer that imposes any fee described in paragraph (d) of subsection (1) or subparagraph (i) of paragraph (a) of subsection (5) of this section shall transmit to a consumer at least thirty (30) days prior to the scheduled renewal date of the consumer's credit or charge card account a clear and conspicuous disclosure of:

- (i) the date by which, the month by which, or the billing period at the close of which, the account will expire if not renewed;
- (ii) the information described in subsection (1) or paragraph (a) of subsection (5) of this section that would apply if the account were renewed, subject to subsection (8) of this section; and
- (iii) the method by which the consumer may terminate continued credit availability under the account.

(b) (i) The disclosures required by this subsection may be provided:

- (aa) prior to posting a fee described in paragraph (d) of subsection (1) or subparagraph (i) of paragraph (a) of subsection (5) of this section to the account; or
 - (bb) with the periodic billing statement first disclosing that the fee has been posted to the account.
- (ii) disclosures may be provided under subparagraph (i) of this paragraph only if:

- (aa) the consumer is given a thirty-day period to avoid payment of the fee or to have the fee recredited to the account in any case where the consumer does not wish to continue the availability of the credit; and
 - (bb) the consumer is permitted to use the card during such period without incurring an obligation to pay such fee.
 - (c) The Administrator may, by rule, provide for fewer disclosures than are required by paragraph (a) of this subsection in the case of an account which is renewable for a period of less than six (6) months.
- (8)
 - (a) If the amount of any fee required to be disclosed under the previous subsections of this section is determined on the basis of a percentage of another amount, the percentage used in making such determination and the identification of the amount against which such percentage is applied shall be disclosed in lieu of the amount of such fee.
 - (b) If a credit or charge card issuer does not impose any fee required to be disclosed under any provision of the previous subsections of this section, such provision shall not apply with respect to such issuer.
- (9) If the amount of any fee required to be disclosed by a credit or charge card issuer under subsection (2), division (bb) of subparagraph (i) of paragraph (b) of subsection (4), paragraph (b) of subsection (5) or division (bb) of subparagraph (i) of paragraph (c) of subsection (5) of this section varies from state to state, the card issuer may disclose the range of such fees for purposes of subsections (1) through (5) of this section in lieu of the amount for each applicable state, if such disclosure includes a statement that the amount of such fee varies from state to state.
- (10)
 - (a) Whenever a card issuer that offers any guarantee or insurance for repayment of all or part of the outstanding balance of a revolving loan account plan proposes to change the person providing that guarantee or insurance, the card issuer shall send each insured consumer written notice of the proposed change not less than thirty (30) days prior to the change, including notice of any increase in the rate or substantial decrease in coverage or service which will result from such change. Such notice may be included on or with the monthly statement provided to the consumer prior to the month in which the proposed change would take effect.
 - (b) In any case in which a proposed change described in paragraph (a) of this subsection occurs, the insured

- consumer shall be given the name and address of the new guarantor or insurer and a copy of the policy or group certificate containing the basic terms and conditions, including the premium rate to be charged.
- (c) The notices required under paragraphs (a) and (b) of this subsection shall each include a statement that the consumer has the option to discontinue the insurance or guarantee.
 - (d) No provision of this subsection shall be construed as superseding any provision of Oklahoma law which is applicable to the regulation of insurance.
 - (e) The Administrator shall define, in rules, what constitutes a "substantial decrease in coverage or service" for purposes of paragraph (a) of this subsection.
- (11) (a) In the case of any credit card account under an open-end consumer credit plan, a creditor shall provide a written notice of an increase in an annual percentage rate (except in the case of an increase described in paragraph (1), (2) or (3) of 15 U.S.C. Section 1661i-1(b)) not later than forty-five (45) days prior to the effective date of the increase.
- (b) In the case of any credit card account under an open-end consumer credit plan, a creditor shall provide a written notice of any significant change, as determined by rule of the Administrator, in the terms (including an increase in any fee or finance charge, other than as provided in paragraph (a) of this subsection) of the cardholder agreement between the creditor and the obligor not later than forty-five (45) days prior to the effective date of the change.
- (c) Each notice required by paragraph (a) or (b) of this subsection shall be made in a clear and conspicuous manner, and shall contain a brief statement of the right of the obligor to cancel the account pursuant to rules established by the Administrator, before the effective date of the subject rate increase or other change.
- (d) Closure or cancellation of an account by the obligor shall not constitute a default under an existing cardholder agreement, and shall not trigger an obligation to immediately repay the obligation in full or through a method that is less beneficial to the obligor than one of the methods described in 15 U.S.C. Section 1661i-1(c) (2), or the imposition of any other penalty or fee.

- (12) (a) Except as provided in subsection (2) of this section, a creditor may not impose any finance charge on a credit card account under an open-end consumer credit plan as a result of the loss of any time period provided by the creditor within which the obligor may repay any portion of the credit extended without incurring a finance charge, with respect to:
 - (i) any balances for days in billing cycles that precede the most recent billing cycle; or
 - (ii) any balances or portions thereof in the current billing cycle that were repaid within such time period.
- (b) This subsection shall not apply to:
 - (i) any adjustment to a finance charge as a result of the resolution of a dispute; or
 - (ii) any adjustment to a finance charge as a result of the return of a payment for insufficient funds.
- (13) (a) In the case of any credit card account under an open-end consumer credit plan under which an over-the-limit fee may be imposed by the creditor for any extension of credit in excess of the amount of credit authorized to be extended under such account, no such fee shall be charged, unless the consumer has expressly elected to permit the creditor, with respect to such account, to complete transactions involving the extension of credit under such account in excess of the amount of credit authorized.
- (b) No election by a consumer under paragraph (a) of this subsection shall take effect unless the consumer, before making such election, received a notice from the creditor of any over-the-limit fee in the form and manner, and at the time, determined by the Administrator. If the consumer makes the election referred to in paragraph (a) of this subsection, the creditor shall provide notice to the consumer of the right to revoke the election, in the form prescribed by the Administrator, in any periodic statement that includes notice of the imposition of an over-the-limit fee during the period covered by the statement.
- (c) A consumer may make or revoke the election referred to in paragraph (a) of this subsection orally, electronically, or in writing, pursuant to regulations prescribed by the Administrator. The Administrator shall prescribe regulations to ensure that the same options are available for both making and revoking such election.

- (d) A consumer may make the election referred to in paragraph (a) of this subsection at any time, and such election shall be effective until the election is revoked in the manner prescribed under paragraph (c) of this subsection.
- (e) The Administrator shall prescribe regulations:
 - (i) governing disclosures under this subsection; and
 - (ii) that prevent unfair or deceptive acts or practices in connection with the manipulation of credit limits designed to increase over-the-limit fees or other penalty fees.
- (f) Nothing in this subsection shall be construed to prohibit a creditor from completing an over-the-limit transaction; provided, that a consumer who has not made a valid election under paragraph (a) of this subsection is not charged an over-the-limit fee for such transaction.
- (g) With respect to a credit card account under an open-end consumer credit plan, an over-the-limit fee may be imposed only once during a billing cycle if the credit limit on the account is exceeded, and an over-the-limit fee, with respect to such excess credit, may be imposed only once in each of the two subsequent billing cycles, unless the consumer has obtained an additional extension of credit in excess of such credit limit during any such subsequent cycle or the consumer reduces the outstanding balance below the credit limit as of the end of such billing cycle.

(14) With respect to a credit card account under an open-end consumer credit plan, the creditor may not impose a separate fee to allow the obligor to repay an extension of credit or finance charge, whether such repayment is made by mail, electronic transfer, telephone authorization, or other means, unless such payment involves an expedited service by a service representative of the creditor.

(15) With respect to the terms of any credit card account under an open-end consumer credit plan, the term "fixed", when appearing in conjunction with a reference to the annual percentage rate or interest rate applicable with respect to such account, may only be used to refer to an annual percentage rate or interest rate that will not change or vary for any reason over the period specified clearly and conspicuously in the terms of the account.

(16) If the terms of a credit card account under an open-end consumer credit plan require the payment of any fees (other than any late fee, over-the-limit fee, or fee for a payment returned for insufficient funds) by the consumer in the first year during which the account is opened in an aggregate amount in excess of twenty-

five percent (25%) of the total amount of credit authorized under the account when the account is opened, no payment of any fees (other than any late fee, over-the-limit fee, or fee for a payment returned for insufficient funds) may be made from the credit made available under the terms of the account. No provision of this paragraph may be construed as authorizing any imposition or payment of advance fees otherwise prohibited by any provision of law.

(17) The payment due date for a credit card account under an open-end consumer credit plan shall be the same day each month. If the payment due date for a credit card account under an open-end consumer credit plan is a day on which the creditor does not receive or accept payments by mail (including weekends and holidays), the creditor may not treat a payment received on the next business day as late for any purpose.

(18) No credit card may be issued to, or open-end consumer credit plan established by or on behalf of, a consumer who has not attained the age of twenty-one (21), unless the consumer has submitted a written application to the card issuer that meets the requirements of paragraph (a) of this subsection.

(a) An application to open a credit card account by a consumer who has not attained the age of twenty-one (21) as of the date of submission of the application shall require:

(i) the signature of a cosigner, including the parent, legal guardian, spouse, or any other individual who has attained the age of twenty-one (21) having a means to repay debts incurred by the consumer in connection with the account, indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has attained the age of twenty-one (21); or

(ii) submission by the consumer of financial information, including through an application, indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.

(b) The Administrator shall promulgate regulations providing standards that, if met, would satisfy the requirements of subparagraph (ii) of paragraph (a) of this subsection.

(19) No increase may be made in the amount of credit authorized to be extended under a credit card account for which a parent, legal guardian, or spouse of the consumer, or any other individual has assumed joint liability for debts incurred by the consumer in connection with the account before the consumer attains the age of

twenty-one (21), unless that parent, guardian, or spouse approves in writing, and assumes joint liability for, such increase. Added by Laws 1990, c. 260, § 24, operative July 1, 1990. Amended by Laws 2013, c. 99, § 5, eff. July 1, 2013.

§14A-3-309.2. Disclosure requirements for revolving loan account plans secured by consumer's principal dwelling.

Disclosure requirements for revolving loan account plans secured by consumer's principal dwelling.

(1) In the case of any revolving loan account plan which provides for any extension of credit which is secured by the consumer's principal dwelling, the creditor shall make the following disclosures in accordance with subsection (9) of Section 3-302 of this title:

- (a) Each annual percentage rate imposed in connection with extensions of credit under the plan and a statement that such rate does not include costs other than interest.
- (b) In the case of a plan which provides for variable rates of interest on credit extended under the plan:
 - (i) a description of the manner in which such rate will be computed and a statement that such rate does not include costs other than interest;
 - (ii) a description of the manner in which any changes in the annual percentage rate will be made, including:
 - (aa) any negative amortization and interest rate carryover;
 - (bb) the time of any such changes;
 - (cc) any index or margin to which such changes in the rate are related; and
 - (dd) a source of information about any such index;
 - (iii) if an initial annual percentage rate is offered which is not based on an index:
 - (aa) a statement of such rate and the period of time such initial rate will be in effect; and
 - (bb) a statement that such rate does not include costs other than interest;
 - (iv) a statement that the consumer should ask about the current index value and interest rate;
 - (v) a statement of the maximum amount by which the annual percentage rate may change in any one-year period or a statement that no such limit exists;
 - (vi) a statement of the maximum annual percentage rate that may be imposed at any time under the plan;

- (vii) subject to subsection (9)(g) of Section 3-302 of this title, a table, based on a Ten Thousand Dollar (\$10,000.00) extension of credit, showing how the annual percentage rate and the minimum periodic payment amount under each repayment option of the plan would have been affected during the preceding fifteen-year period by changes in any index used to compute such rate;
- (viii) a statement of:
 - (aa) the maximum annual percentage rate which may be imposed under each repayment option of the plan;
 - (bb) the minimum amount of any periodic payment which may be required, based on a Ten Thousand Dollar (\$10,000.00) outstanding balance, under each such option when such maximum annual percentage rate is in effect; and
 - (cc) the earliest date by which such maximum annual interest rate may be imposed; and
- (ix) a statement that interest rate information will be provided on or with each periodic statement.
- (c) An itemization of any fees imposed by the creditor in connection with the availability or use of credit under such plan, including annual fees, application fees, transaction fees, and closing costs (including costs commonly described as "points"), and the time when such fees are payable.
- (d) (i) An estimate, based on the creditor's experience with such plans and stated as a single amount or as a reasonable range, of the aggregate amount of additional fees that may be imposed by third parties including but not limited to governmental authorities, appraisers, and attorneys in connection with opening an account under the plan.
- (ii) A statement that the consumer may ask the creditor for a good faith estimate by the creditor of the fees that may be imposed by third parties.
- (e) A statement that:
 - (i) any extension of credit under the plan is secured by the consumer's dwelling; and
 - (ii) in the event of any default, the consumer risks the loss of the dwelling.
- (f) (i) A clear and conspicuous statement:

- (aa) of the time by which an application must be submitted to obtain the terms disclosed; or
- (bb) if applicable, that the terms are subject to change.
- (ii) A statement that:
 - (aa) the consumer may elect not to enter into an agreement to open an account under the plan if any term changes, other than a change contemplated by a variable feature of the plan, before any such agreement is final; and
 - (bb) if the consumer makes an election described in division (aa) of this subparagraph, the consumer is entitled to a refund of all fees paid in connection with the application.
- (iii) A statement that the consumer should make or otherwise retain a copy of information disclosed under this subparagraph.
- (g) A statement that:
 - (i) under certain conditions, the creditor may terminate any account under the plan and require immediate repayment of any outstanding balance, prohibit any additional extension of credit to the account, or reduce the credit limit applicable to the account; and
 - (ii) the consumer may receive, upon request, more specific information about the conditions under which the creditor may take any action described in subparagraph (i) of this paragraph.
- (h) The repayment options under the plan, including:
 - (i) if applicable, any differences in repayment options with regard to:
 - (aa) any period during which additional extensions of credit may be obtained; and
 - (bb) any period during which repayment is required to be made and no additional extensions of credit may be obtained;
 - (ii) the length of any repayment period, including any differences in the length of any repayment period with regard to the periods described in divisions (aa) and (bb) of subparagraph (i) of this paragraph; and
 - (iii) an explanation of how the amount of any minimum monthly or periodic payment will be determined under each such option, including any differences in the determination of any such amount with

regard to the periods described in divisions (aa) and (bb) of subparagraph (i) of this paragraph.

- (i) An example, based on a Ten Thousand Dollar (\$10,000.00) outstanding balance and the interest rate, other than a rate not based on the index under the plan, which is, or was recently, in effect under such plan, showing the minimum monthly or periodic payment, and the time it would take to repay the entire Ten Thousand Dollars (\$10,000.00) if the consumer paid only the minimum periodic payments and obtained no additional extensions of credit.
- (j) If, under any repayment option of the plan, the payment of not more than the minimum periodic payments required under such option over the length of the repayment period:
 - (i) would not repay any of the principal balance; or
 - (ii) would repay less than the outstanding balance by the end of such period,as the case may be, a statement of such fact, including an explicit statement that at the end of such repayment period a balloon payment as defined in subsection (12) of Section 3-312 of this title would result which would be required to be paid in full at that time.
- (k) If applicable, a statement that:
 - (i) any limitation in the plan on the amount of any increase in the minimum payments may result in negative amortization;
 - (ii) negative amortization increases the outstanding principal balance of the account; and
 - (iii) negative amortization reduces the consumer's equity in the consumer's dwelling.
- (l) (i) Any limitation contained in the plan on the number of extensions of credit and the amount of credit which may be obtained during any month or other defined time period.
- (ii) Any requirement which establishes a minimum amount for:
 - (aa) the initial extension of credit to an account under the plan;
 - (bb) any subsequent extension of credit to an account under the plan; or
 - (cc) any outstanding balance of an account under the plan.
- (m) A statement that the consumer should consult a tax advisor regarding the deductibility of interest and charges under the plan.

(n) Any other term which the Administrator requires, in rules to be disclosed.

(2) For purposes of this section and Sections 3-309.3 and 3-312 of this title, the term "principal dwelling" includes any second or vacation home of the consumer.

(3) In addition to the disclosures required under subsection (1) of this section with respect to an application to open an account under any revolving loan account plan described in such subsection, the creditor or other person providing such disclosures to the consumer shall provide:

- (a) a pamphlet published by the Board of Governors of the Federal Reserve System pursuant to Section 4 of the Home Equity Consumer Protection Act of 1988; or
- (b) any pamphlet which provides substantially similar information to the information described in such section, as determined by the Administrator.

Added by Laws 1990, c. 260, § 25, operative July 1, 1990.

§14A-3-309.3. Index or rate of interest on revolving loan account plan subject to variable rate and secured by consumer's principal dwelling - Termination of account - Change of terms or conditions - Refunding of fees.

(1) In the case of extensions of credit under a revolving loan account plan which are subject to a variable rate and are secured by a consumer's principal dwelling, the index or other rate of interest to which changes in the annual percentage rate are related shall be based on an index or rate of interest which is publicly available and is not under the control of the creditor.

(2) A creditor may not unilaterally terminate any account under a revolving loan account plan under which extensions of credit are secured by a consumer's principal dwelling and require the immediate repayment of any outstanding balance at such time, except in the case of:

- (a) fraud or material misrepresentation on the part of the consumer in connection with the account;
- (b) failure by the consumer to meet the repayment terms of the agreement for any outstanding balance; or
- (c) any other action or failure to act by the consumer which adversely affects the creditor's security for the account or any right of the creditor in such security.

This subsection does not apply to reverse mortgage transactions.

- (3) (a) No revolving loan account plan under which extensions of credit are secured by a consumer's principal dwelling may contain a provision which permits a creditor to change unilaterally any term required to be disclosed under subsection (1) of Section 3-309.2

of this title or any other term, except a change in insignificant terms such as the address of the creditor for billing purposes.

- (b) Notwithstanding the provisions of paragraph (a) of this subsection, a creditor may make any of the following changes:
- (i) Change the index and margin applicable to extensions of credit under such plan if the index used by the creditor is no longer available and the substitute index and margin would result in a substantially similar interest rate,
 - (ii) Prohibit additional extensions of credit or reduce the credit limit applicable to an account under the plan during any period in which the value of the consumer's principal dwelling which secures any outstanding balance is significantly less than the original appraisal value of the dwelling,
 - (iii) Prohibit additional extensions of credit or reduce the credit limit applicable to the account during any period in which the creditor has reason to believe that the consumer will be unable to comply with the repayment requirements of the account due to a material change in the consumer's financial circumstances,
 - (iv) Prohibit additional extensions of credit or reduce the credit limit applicable to the account during any period in which the consumer is in default with respect to any material obligation of the consumer under the agreement,
 - (v) Prohibit additional extensions of credit or reduce the credit limit applicable to the account during any period in which:
 - (aa) the creditor is precluded by government action from imposing the annual percentage rate provided for in the account agreement, or
 - (bb) any government action is in effect which adversely affects the priority of the creditor's security interest in the account to the extent that the value of the creditor's secured interest in the property is less than one hundred twenty percent (120%) of the amount of the credit limit applicable to the account.
 - (vi) Any change that will benefit the consumer.

- (c) Upon the request of the consumer and at the time an agreement is entered into by a consumer to open an account under a revolving loan account plan under which extensions of credit are secured by the consumer's principal dwelling, the consumer shall be given a list of the categories of contract obligations which are deemed by the creditor to be material obligations of the consumer under the agreement for purposes of subparagraph (iv) of paragraph (b) of this subsection.
- (d)
 - (i) For purposes of subparagraph (vi) of paragraph (b) of this subsection, a change shall be deemed to benefit the consumer if the change is unequivocally beneficial to the consumer and the change is beneficial through the entire term of the agreement,
 - (ii) The Administrator may, by rule, determine categories of changes that benefit the consumer.

(4) If any term or condition described in subsection (1) of Section 3-309.2 of this title which is disclosed to a consumer in connection with an application to open an account under a revolving loan account plan described in such section, other than a variable feature of the plan, changes before the account is opened, and if, as a result of such change, the consumer elects not to enter into the plan agreement, the creditor shall refund all fees paid by the consumer in connection with such application.

- (5) (a) No nonrefundable fee may be imposed by a creditor or any other person in connection with any application by a consumer to establish an account under any revolving loan account plan which provides for extensions of credit which are secured by a consumer's principal dwelling before the end of the three-day period beginning on the date such consumer receives the disclosure required under subsection (1) of Section 2-310.2 of this title and the pamphlet required under subsection (3) of Section 2-310.2 of this title with respect to such application.

- (b) For purposes of determining when a nonrefundable fee may be imposed in accordance with this subsection if the disclosures and pamphlet referred to in paragraph (a) of this subsection are mailed to the consumer, the date of the receipt of the disclosures by such consumer shall be deemed to be three (3) business days after the date of mailing by the creditor.

Added by Laws 1990, c. 260, § 26, operative July 1, 1990. Amended by Laws 2000, c. 217, § 11, eff. July 1, 2000.

§14A-3-309.4. Additional disclosures for subsection 10 mortgages.

(1) In addition to other disclosures required under this title, for each subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title, the creditor shall provide the following disclosures in conspicuous type size:

- (a) "You are not required to complete this agreement merely because you have received these disclosures or have signed a loan application";
- (b) "If you obtain this loan, the lender will have a mortgage on your home. You could lose your home, and any money you have put into it, if you do not meet your obligations under the loan";
- (c) in the case of a credit transaction with a fixed rate of interest, the annual percentage rate and the amount of the regular monthly payment;
- (d) in the case of any other credit transaction, the annual percentage rate of the loan, the amount of the regular monthly payment, the amount of any balloon payment, a statement that the interest rate and monthly payment may increase, and the amount of the maximum monthly payment, based on the maximum interest rate allowed pursuant to Section 1204 of the Competitive Equality Banking Act of 1987. The regular payment disclosed under this paragraph shall be treated as accurate if it is based on an amount borrowed that is deemed accurate and is disclosed under subparagraph (e) of this section;
- (e) for a mortgage refinancing, the total amount the consumer will borrow, as reflected by the face amount of the note; and where the amount borrowed includes premiums or other charges for optional credit insurance or debt-cancellation coverage, that fact shall be stated, grouped together with the disclosure of the amount borrowed. The disclosure of the amount borrowed shall be treated as accurate if it is not more than One Hundred Dollars (\$100.00) above or below the amount required to be disclosed; and
- (f) "mortgage loan rates, closing costs and fees vary based on many factors. These include your credit history and financial circumstances, your employment history, the loan-to-value that is represented by your home and the amount of the loan you have requested, and the type of property that will secure your loan. The loan rate and fees could also vary based on which creditor or broker you select. As a borrower, you should shop around and compare loan rates and fees. You should also consider talking to a qualified,

independent credit counselor or other experienced financial advisor regarding the rate, fees and provisions of this mortgage loan before you proceed. A list of qualified, independent counselors is available by calling the Oklahoma Department of Consumer Credit or the Oklahoma State Banking Department. Remember: property taxes and homeowner's insurance are your responsibility, and not all creditors provide escrow services that enable them to make those payments on your behalf. You should ask your creditor about these services. Your payments on existing debts contribute to your credit ratings. You should not accept any advice to ignore your regular payments to your existing creditors."

- (2) (a) The disclosures required by this section shall be given not less than three (3) business days prior to consummation of the transaction.
 - (b) (i) After providing the disclosures required by this section, a creditor may not change the terms of the extension of credit if such changes make the disclosures inaccurate, unless new disclosures are provided that meet the requirements of this section.
 - (ii) A creditor may provide new disclosures pursuant to subparagraph (i) of this paragraph by telephone, if:
 - (aa) the change is initiated by the consumer; and
 - (bb) at the consummation of the transaction under which the credit is extended:
 - (I) the creditor provides to the consumer the new disclosures, in writing; and
 - (II) the creditor and consumer certify in writing that the new disclosures were provided by telephone, by not later than three (3) days prior to the date of consummation of the transaction.
 - (c) The Administrator may, if the Administrator finds that such action is necessary to permit homeowners to meet bona fide personal financial emergencies, prescribe regulations authorizing the modification or waiver of rights created under this subsection, to the extent and under the circumstances set forth in the regulations.
- (3) (a) (i) A subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title may not contain terms under which a consumer must pay a prepayment penalty for paying all or part

of the principal before the date on which the principal is due.

- (ii) For purposes of this subsection, any method of computing a refund of unearned scheduled interest is a prepayment penalty if it is less favorable to the consumer than the actuarial method, as that term is defined in Section 933(d) of the Housing and Community Development Act of 1992.
- (b) Notwithstanding the provisions of subparagraph (a) of this paragraph, a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title may contain a prepayment penalty, including terms calculating a refund by a method that is not prohibited under Section 933(d) of the Housing and Community Development Act of 1992 for the transaction in question if:
- (i) at the time the subsection 10 mortgage is consummated:
 - (aa) the consumer is not liable for an amount of monthly indebtedness payments, including the amount of credit extended or to be extended under the transaction, that is greater than fifty percent (50%) of the monthly gross income of the consumer; and
 - (bb) the income and expenses of the consumer are verified by a financial statement signed by the consumer, by a credit report, and in the case of employment income, by payment records or by verification from the employer of the consumer, which verification may be in the form of a copy of a pay stub or other payment record supplied by the consumer;
 - (ii) the penalty applies only to a prepayment made with amounts obtained by the consumer by means other than a refinancing by the creditor under the subsection 10 mortgage, or an affiliate of that creditor;
 - (iii) the penalty does not exceed in the aggregate more than:
 - (aa) two percent (2%) of the loan amount prepaid in the first twelve (12) months after the subsection 10 mortgage is consummated, or
 - (bb) one percent (1%) of the loan amount prepaid in the second twelve (12) months after the subsection 10 mortgage is consummated;

- (iv) the penalty does not apply after the end of the two-year period beginning on the date on which the subsection 10 mortgage is consummated; and
 - (v) the penalty is not prohibited under other applicable law.
- (c) Notwithstanding the provisions of subparagraph (a) or (b) of this paragraph, a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title consummated with funds advanced directly or indirectly from a Federal Home Loan Bank may contain a prepayment penalty.

(4) A subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title may not provide for an interest rate applicable after default that is higher than the interest rate that applies before default. If the date of maturity of a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title is accelerated due to default and the consumer is entitled to a rebate of interest, that rebate shall be computed by any method that is not less favorable than the actuarial method, as that term is defined in Section 933(d) of the Housing and Community Development Act of 1992.

(5) A subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title having a term of less than five (5) years may not include terms under which the aggregate amount of the regular periodic payments would not fully amortize the outstanding principal balance.

(6) A subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title may not include terms under which the outstanding principal balance will increase at any time over the course of the loan because the regular periodic payments do not cover the full amount of interest due.

(7) A subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title may not include terms under which more than two periodic payments required under the loan are consolidated and paid in advance from the loan proceeds provided to the consumer.

(8) A creditor shall not make a payment to a contractor under a home improvement contract from amounts extended as credit under a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title, other than:

- (a) in the form of an instrument that is payable to the consumer or jointly to the consumer and the contractor; or
- (b) at the election of the consumer, by a third party escrow agent in accordance with terms established in a written agreement signed by the consumer, the creditor, and the contractor before the date of payment.

(9) Any subsection 10 mortgage that contains a provision prohibited by this section shall be deemed a failure to deliver the material disclosures required under this title, for the purpose of Section 5-204 of this title.

(10) For purposes of this section, the term "affiliate" has the same meaning as in Section 2(k) of the Bank Holding Company Act of 1956.

(11) (a) The Administrator may, by regulation or order, exempt specific subsection 10 mortgage products or categories of subsection 10 mortgages from any or all of the prohibitions specified in subsections (3) through (8) of this section, if the Administrator finds that the exemption:

- (i) is in the interest of the borrowing public; and
- (ii) will apply only to products that maintain and strengthen home ownership and equity protection.

(b) The Administrator, by regulation or order, shall prohibit acts or practices in connection with:

- (i) subsection 10 mortgage loans that the Board of Governors of the Federal Reserve System has found to be unfair, deceptive, or designed to evade the provisions of this section; and
- (ii) refinancing of subsection 10 mortgage loans that the Board of Governors of the Federal Reserve System has found to be associated with abusive lending practices, or that are otherwise not in the interest of the borrower.

Added by Laws 2000, c. 217, § 12, eff. July 1, 2000. Amended by Laws 2003, c. 330, § 8, eff. Jan. 1, 2004.

§14A-3-309.5. Additional disclosures for reverse mortgages.

(1) In addition to the disclosures required under Title 14A of the Oklahoma Statutes, for each reverse mortgage, the creditor shall, not less than three (3) days prior to consummation of the transaction, disclose to the consumer in conspicuous type a good faith estimate of the projected total cost of the mortgage to the consumer expressed as a table of annual interest rates. Each annual interest rate shall be based on a projected total future credit extension balance under a projected appreciation rate for the dwelling and a term for the mortgage. The disclosure shall include:

- (a) statements of the annual interest rates for not less than three projected appreciation rates and not less than three credit transaction periods, as determined by the Administrator, including:
 - (i) a short-term reverse mortgage;
 - (ii) a term equaling the actuarial life expectancy of the consumer; and

(iii) such longer term as the Administrator deems appropriate; and

(b) a statement that the consumer is not obligated to complete the reverse mortgage transaction merely because the consumer has received the disclosure required under this section or has signed an application for the reverse mortgage.

(2) In determining the projected total cost of the mortgage to be disclosed to the consumer under subsection (1) of this section, the creditor shall take into account:

(a) any shared appreciation or equity that the lender will, by contract, be entitled to receive;

(b) all costs and charges to the consumer, including the costs of any associated annuity that the consumer elects or is required to purchase as part of the reverse mortgage transaction;

(c) all payments to and for the benefit of the consumer, including, in the case in which an associated annuity is purchased, whether or not required by the lender as a condition of making the reverse mortgage, the annuity payments received by the consumer and financed from the proceeds of the loan, instead of the proceeds used to finance the annuity; and

(d) any limitation on the liability of the consumer under reverse mortgage transactions, such as nonrecourse limits and equity conservation agreements.

Added by Laws 2000, c. 217, § 13, eff. July 1, 2000.

§14A-3-310. Estimates of disclosures.

(1) In the case of any extension of credit that is secured by the dwelling of a consumer, which is also subject to the Real Estate Settlement Procedures Act, 12 U.S.C. Sections 2601 et seq., good-faith estimates of the disclosures required by this part shall be made in accordance with the rules of the Administrator of Consumer Credit and shall be delivered or placed in the mail not later than three (3) business days after the creditor receives the consumer's written application, which shall be at least seven (7) business days before consummation of the transaction.

(2) In the case of an extension of credit that is secured by the dwelling of a consumer, the disclosures provided for in subsection (1) of this section shall be in addition to the other disclosures required by this part and shall:

(a) state in conspicuous type size and format, the following: "You are not required to complete this agreement merely because you have received these disclosures or signed a loan application", and

(b) be provided in the form of final disclosures at the time of consummation of the transaction, in the form and manner prescribed by this section.

(3) In the case of an extension of credit that is secured by the dwelling of a consumer, under which the annual rate of interest is variable, or with respect to which the regular payments may otherwise be variable, in addition to the other disclosures required by this part, the disclosures provided under this section shall do the following:

(a) label the payment schedule as follows: "Payment Schedule: Payments will vary based on Interest Rate Changes", and

(b) state in conspicuous type size and format examples of adjustments to the regular required payment on the extension of credit based on the change in interest rates specified by the contract for such extension of credit. Among the examples required to be provided is an example that reflects the maximum payment amount of the regular required payments on the extension of credit, based on the maximum interest rate allowed under the contract, in accordance with rules of the Administrator.

(4) In any case in which the disclosure statement under subsection (1) of this section contains an annual percentage rate of interest that is no longer accurate, the creditor shall furnish an additional corrected statement to the consumer, not later than three (3) business days before the date of consummation of the transaction.

(5) The consumer shall receive the required disclosures before paying any fee to the creditor or other person in connection with the consumer's application for an extension of credit that is secured by the dwelling of a consumer. If the disclosures are mailed to the consumer, the consumer is considered to have received them three (3) business days after they are mailed. A creditor or other person may impose a fee for obtaining the consumer's credit report before the consumer has received the disclosures under this section, provided the fee is bona fide and reasonable in amount.

(6) To expedite the consummation of a transaction, if the consumer determines that the extension of credit is needed to meet a bona fide personal financial emergency, the consumer may waive or modify the timing requirements for disclosures under subsection (1) of this section, provided that:

(a) the term "bona fide personal emergency" may be further defined by rules of the Administrator,

(b) the consumer provides to the creditor a dated, written statement describing the emergency and specifically waiving or modifying those timing requirements, which

statement shall bear the signature of all consumers entitled to receive disclosures required by this section, and

- (c) the creditor provides to the consumers at or before the time of such waiver or modification, the final disclosures required by this part.

(7) The requirements set forth in subsections (1) through (5) of this section shall not apply in the case of an extension of credit relating to a plan described in 11 U.S.C. Section 101(53D). Added by Laws 1969, c. 352, § 3-310, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 44, operative Oct. 1, 1982; Laws 2012, c. 172, § 5, eff. July 1, 2012.

§14A-3-311. Repealed by Laws 1982, c. 335, § 59, operative Oct. 1, 1982.

§14A-3-312. Advertising.

(1) No lender shall engage in this state in false or misleading advertising concerning the terms or conditions of credit with respect to a consumer loan.

(2) Without limiting the generality of subsection (1), and without requiring a statement of rate of loan finance charge if the loan finance charge is not more than Five Dollars (\$5.00) when the principal does not exceed Seventy-five Dollars (\$75.00), or Seven Dollars and fifty cents (\$7.50) when the principal exceeds Seventy-five Dollars (\$75.00), an advertisement with respect to a consumer credit loan made by the posting of a public sign, or by catalog, magazine, newspaper, radio, television, or similar mass media, is misleading if:

- (a) it states the rate of the loan finance charge and the rate is not stated in the form required by the provisions on calculation of rate to be disclosed (Section 3-304), or
- (b) it states the dollar amounts of the loan finance charge or installment payments, and does not also state the rate of any loan finance charge and the terms of repayment.

(3) In this section a catalog or other multiple-page advertisement is considered a single advertisement if it clearly and conspicuously displays a credit terms table setting forth the information required by this section.

(4) This section imposes no liability on the owner or personnel, as such, of any medium in which an advertisement appears or through which it is disseminated.

(5) Advertising which complies with the Federal Consumer Credit Protection Act does not violate subsection (2).

(6) The provisions of this section shall not apply to advertisements of residential real estate except to the extent provided by rules of the Administrator.

(7) If any advertisement to aid, promote, or assist, directly or indirectly, the extension of consumer credit through a revolving loan account plan under which extensions of credit are secured by the consumer's principal dwelling states, affirmatively or negatively, any of the specific terms of the plan, including any periodic payment amount required under such plan, such advertisement shall also clearly and conspicuously set forth the following information, in such form and manner as the Administrator may require:

- (a) Any loan fee the amount of which is determined as a percentage of the credit limit applicable to an account under the plan and an estimate of the aggregate amount of other fees for opening the account, based on the creditor's experience with the plan and stated as a single amount or as a reasonable range,
- (b) In any case in which periodic rates may be used to compute the loan finance charge, the periodic rates expressed as an annual percentage rate,
- (c) The highest annual percentage rate which may be imposed under the plan, and
- (d) Any other information the Administrator may by rule require.

(8) If any advertisement described in subsection (7) of this section contains a statement that any interest expense incurred with respect to the plan is or may be tax deductible, the advertisement shall not be misleading with respect to such deductibility.

(9) No advertisement described in subsection (7) of this section with respect to any home equity account may refer to such credit as "free money" or use other terms determined by the Administrator by rule to be misleading.

- (10) (a) If any advertisement described in subsection (7) of this section includes an initial annual percentage rate that is not determined by the index or formula used to make later interest rate adjustments, the advertisement shall also state with equal prominence the current annual percentage rate that would have been applied using the index or formula if such initial rate had not been offered,
- (b) The annual percentage rate required to be disclosed under the paragraph (a) rate of this subsection rate must be current as of a reasonable time given the media involved, and

- (c) Any advertisement to which paragraph (a) of this subsection applies shall also state the period of time during which the initial annual percentage rate referred to in such paragraph will be in effect.

(11) If any advertisement described in subsection (7) of this section contains a statement regarding the minimum monthly payment under the plan, the advertisement shall also disclose, if applicable, the fact that the plan includes a balloon payment.

(12) For purposes of this section and Section 3-309.2 of this title, the term "balloon payment" means, with respect to any revolving charge account plan under which extensions of credit are secured by the consumer's principal dwelling, any repayment option under which:

- (a) the account holder is required to repay the entire amount of any outstanding balance as of a specified date or at the end of a specified period of time, as determined in accordance with the terms of the agreement pursuant to which such credit is extended, and
- (b) the aggregate amount of the minimum periodic payments required would not fully amortize such outstanding balance by such date or at the end of such period.

Added by Laws 1969, c. 352, § 3-312, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 45, operative Oct. 1, 1982; Laws 1990, c. 260, § 27, operative July 1, 1990.

§14A-3-313. Notification to borrower of transfer of residential mortgage loan.

Not later than thirty (30) days after the date on which a residential mortgage loan is sold or otherwise transferred or assigned to a third party, the creditor that is the new owner or assignee of the debt shall notify the borrower in writing of such transfer, including:

- (a) the identity, address and telephone number of the new creditor;
- (b) the date of transfer;
- (c) how to reach an agent or party having authority to act on behalf of the new creditor;
- (d) the location of the place where transfer of ownership of the debt is recorded; and
- (e) any other relevant information regarding the new creditor.

Added by Laws 2012, c. 172, § 8, eff. July 1, 2012.

§14A-3-401. Scope.

This part applies to consumer loans. Section 3-309.3 of Part 3 of this article contains certain limitations upon the terms of

extensions of credit under revolving loan account plans which are subject to either a fixed or a variable rate and are secured by a consumer's principal dwelling. In addition, Section 3-309.4 of Part 3 of this article contains certain limitations upon the terms of extensions of credit under a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title.

Added by Laws 1969, c. 352, § 3-401, eff. July 1, 1969. Amended by Laws 1990, c. 260, § 28, operative July 1, 1990; Laws 2003, c. 330, § 9, eff. Jan. 1, 2004.

§14A-3-402. Balloon payments.

With respect to a consumer loan, other than one pursuant to a revolving loan account, if any scheduled payment is more than twice as large as the average of earlier scheduled payments, the debtor has the right to refinance the amount of that payment at the time it is due without penalty. The terms of the refinancing shall be no less favorable to the debtor than the terms of the original loan. These provisions do not apply to the extent that the payment schedule is adjusted to the seasonal or irregular income of the debtor.

Added by Laws 1969, c. 352, § 3-402, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 46, operative June 1, 1982.

§14A-3-403. No assignment of earnings.

(1) A lender may not take an assignment of earnings of the debtor for payment or as security for payment of a debt arising out of a consumer loan. An assignment of earnings in violation of this section is unenforceable by the assignee of the earnings and revocable by the debtor. This section does not prohibit an employee from authorizing deductions from his earnings if the authorization is revocable.

(2) A sale of unpaid earnings made in consideration of the payment of money to or for the account of the seller of the earnings is deemed to be a loan to him secured by an assignment of earnings.

Added by Laws 1969, c. 352, § 3-403, eff. July 1, 1969.

§14A-3-404. Attorney's fees.

Except as provided by the provisions on limitations on attorney's fees as to certain supervised loans (Section 3-514), with respect to a consumer loan the agreement may provide for the payment by the debtor of reasonable attorney's fees not in excess of fifteen percent (15%) of the unpaid debt after default and referral to an attorney not a salaried employee of the lender. A provision in violation of this section is unenforceable.

Added by Laws 1969, c. 352, § 3-404, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 9.

§14A-3-405. Limitation on default charges.

Except for reasonable expenses incurred in realizing on a security interest, the agreement with respect to a consumer loan may not provide for charges as a result of default by the debtor other than those authorized by this act. A provision in violation of this section is unenforceable.

Added by Laws 1969, c. 352, § 3-405, eff. July 1, 1969.

§14A-3-406. Notice of assignment.

The debtor is authorized to pay the original lender until he receives notification of assignment of rights to payment pursuant to a consumer loan and that payment is to be made to the assignee. A notification which does not reasonably identify the rights assigned is ineffective. If requested by the debtor, the assignee must seasonably furnish reasonable proof that the assignment has been made and unless he does so the debtor may pay the original lender.

Added by Laws 1969, c. 352, § 3-406, eff. July 1, 1969.

§14A-3-407. Authorization to confess judgment prohibited.

A debtor may not authorize any person to confess judgment on a claim arising out of a consumer loan. An authorization in violation of this section is void.

Added by Laws 1969, c. 352, § 3-407, eff. July 1, 1969.

§14A-3-408. Change in terms of revolving loan accounts.

(1) If a lender makes a change in the terms of a revolving loan account without complying with this section any additional cost or charge to the debtor resulting from the change is an excess charge and subject to the remedies available to debtors (Section 5-202) and to the Administrator (Section 6-113).

(2) A lender may change the terms of a revolving loan account whether or not the change is authorized by prior agreement. Except as provided in subsection (3) of this section, the lender shall give to the debtor written notice of any change before the effective date of the change as follows:

(a) for changes in the rate of interest charged on such an account, at least one written notice shall be given to the debtor at least one billing cycle, but not less than thirty (30) days, prior to such change taking effect; and

(b) for a change in the terms other than the rate of interest, at least two written notices shall be given to the debtor, with the first notice at least two billing cycles, but not less than sixty (60) days, prior to such change taking effect.

(3) The notice specified in subsection (2) of this section is not required if:

- (a) the debtor after receiving notice of the change agrees in writing to the change;
- (b) the debtor elects to pay an amount designated on a billing statement (subsection (2) of Section 3-309 of this title) as including a new charge for a benefit offered to the debtor when the benefit and charge constitute the change in terms and when the billing statement also states the amount payable if the new charge is excluded;
- (c) the change involves no significant cost to the debtor;
- (d) the debtor has previously consented in writing to the kind of change made and notice of the change is given to the debtor at least thirty (30) days prior to the effective date of the change;
- (e) the change applies only to debts incurred after a date specified in a notice of the change given at least thirty (30) days prior to the effective date of the change;
- (f) the kind or type of change is of a class defined by the Administrator by rule, as not requiring the advance notice set forth in this section for the protection of the consumer; or
- (g) the change involves late payment charges or over-the-limit charges.

(4) The notice provided for in this section is given to the debtor when mailed to the debtor at the address used by the lender for sending periodic billing statements.

Added by Laws 1969, c. 352, § 3-408, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 47, operative June 1, 1982; Laws 1983, c. 121, § 1, emerg. eff. May 17, 1983; Laws 1988, c. 35, § 8, operative July 1, 1988; Laws 1999, c. 95, § 1, emerg. eff. April 19, 1999.

§14A-3-409. Use of multiple agreements.

A lender may not use multiple agreements with intent to avoid disclosure of an annual percentage rate pursuant to the provisions on disclosure and advertising (Part 3). The excess amount of loan finance charge provided for in agreements in violation of this section is an excess charge for the purposes of the provisions on the effect of violations on rights of parties (Section 5-202) and the provisions on civil actions by Administrator.

Added by Laws 1969, c. 352, § 3-409, eff. July 1, 1969.

§14A-3-410. Subsection 10 mortgages - Limitations and restrictions - Preemption.

(1) Limitation on terms on subsection 10 mortgages. A subsection 10 mortgage referred to in subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes shall not contain a demand

feature that permits the creditor to terminate the loan in advance of the original maturity date and to demand repayment of the entire outstanding balance, except in the following circumstances:

- (a) there is fraud or material misrepresentation by the consumer in connection with the loan;
- (b) the consumer fails to meet the repayment terms of the agreement for any outstanding balance; or
- (c) there is any action or inaction by the consumer that adversely affects the creditor's security for the loan or, any right of the creditor in such security;

(2) Restriction on activities. In connection with a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes:

- (a) a creditor shall not replace or consolidate a zero interest rate or other low-rate loan made by a governmental or nonprofit creditor with a subsection 10 mortgage within the first ten (10) years of the zero interest or other low-rate loan unless the current holder of the loan consents in writing to the refinancing. For purposes of this paragraph a "low-rate loan" is a loan that carries a current interest rate two (2) percentage points or more below the current yield on United States Department of the Treasury securities with a comparable maturity;
- (b) no creditor shall recommend or encourage default on an existing loan or other debt by an obligor before or in connection with the closing or planned closing of a subsection 10 mortgage that refinances all or any portion of such existing loan or debt;
- (c) a creditor extending mortgage credit subject to subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes may not engage in a pattern or practice of extending credit subject to a consumer based on the consumer's collateral without regard to the consumer's repayment ability, including the consumer's current and expected income, current obligations, and employment. There is a presumption that a creditor has violated this subsection if the creditor engages in a pattern or practice of making subsection 10 mortgages without verifying and documenting consumers' repayment ability. A consumer shall be presumed to be able to make the scheduled payments to repay the obligation if, at the time the loan is consummated, the total monthly debts of the consumer, including amounts owed under the loan, do not exceed fifty-five percent (55%) of the monthly gross income of the consumer as verified by the credit

application, the financial statement of the consumer, a credit report, financial information provided to the creditor by or on behalf of the consumer, or any other reasonable means; provided, no presumption of inability to make the scheduled payments to repay the obligation shall arise solely from the fact that, at the time the loan is consummated, the consumer's total monthly debts, including amounts owed under the loan, exceed fifty-five percent (55%) of the monthly gross income of the consumer;

- (d) within one (1) year of having extended credit subject to subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes, a creditor may not refinance any loan subject to subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes to the same borrower into another loan subject to subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes, unless the refinancing is in the borrower's interest. An assignee holding or servicing an extension of mortgage credit subject to subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes shall not, for the remainder of the one-year period following the date of origination of the credit, refinance any loan subject to subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes to the same borrower into another loan subject to subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes, unless the refinancing is in the borrower's interest. A creditor or assignee is prohibited from engaging in acts or practices to evade this provision, including a pattern or practice of arranging for the refinancing of its own loans by affiliated or unaffiliated creditors, or modifying a loan agreement, whether or not the existing loan is satisfied and replaced by the new loan, and charging a fee;
- (e) in connection with credit secured by the consumer's dwelling that does not meet the definition of open-end credit defined at 12 C.F.R. Section 226.2(a)(20), a creditor shall not structure a home-secured loan as an open-end plan to evade the requirements of subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes;
- (f) a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes shall not contain a mandatory arbitration provision that:

- (i) does not comply with rules set forth by a nationally recognized arbitration organization such as the American Arbitration Association,
- (ii) does not require the arbitration proceeding to be conducted:
 - (aa) within the federal judicial district in which the subject property is located,
 - (bb) in the city nearest the obligor's residence where a federal district court is located, or
 - (cc) at such other location as may be mutually agreed upon by the parties,
- (iii) does not require the creditor to contribute at least fifty percent (50%) of the amount of any filing fee, and
- (iv) does not require the creditor to pay standard daily arbitration fees, both its own and those of the obligor, for at least the first day of arbitration;
- (g) a creditor or its servicer shall report at least quarterly both the favorable and unfavorable payment history information of the obligor on payments due to the creditor on a subsection 10 mortgage to a nationally recognized consumer credit reporting agency. This subsection shall not prevent a creditor or its servicer from agreeing with the obligor not to report payment history information in the event of a resolved or unresolved dispute with the obligor and shall not apply to subsection 10 mortgages held or serviced by a creditor for less than ninety (90) days.

(3) Preemption. The laws of this state relating to the brokering, originating, making, servicing and collecting of mortgage loans subject to Title 14A of the Oklahoma Statutes prescribe rules of conduct on citizens generally, comprise a comprehensive regulatory framework intended to operate uniformly throughout the state under the same circumstances and conditions and constitute general laws of this state. Silence in the statutes of this state with respect to any act or practice in the brokering, originating, making, servicing or collecting of mortgage loans subject to Title 14A of the Oklahoma Statutes shall not be interpreted to mean that the state has not completely occupied the field or has only set minimum standards in its regulation of brokering, originating, making, servicing or collecting of mortgage loans subject to Title 14A of the Oklahoma Statutes. It is the intent of the Legislature to entirely preempt political subdivisions from the regulation and licensing of persons engaged in the brokering, originating, making, servicing or collecting of mortgage loans subject to Title 14A of

the Oklahoma Statutes in this state. No political subdivision shall enact any ordinance, resolution, local regulation, rule or law that regulates, directly or indirectly, the brokering, originating, making, servicing or collecting of mortgage loans subject to Title 14A of the Oklahoma Statutes, the terms of mortgage loans subject to Title 14A of the Oklahoma Statutes or that makes the eligibility of any person or entity to do business with the political subdivision dependent on the terms of mortgage loans subject to Title 14A of the Oklahoma Statutes originated or serviced by such person or entity or that imposes any reporting requirements or other obligations on a person, or its subsidiaries or affiliates engaged in the brokering, originating, making, servicing or collecting of mortgage loans subject to Title 14A of the Oklahoma Statutes in this state. For purposes of this section, "political subdivision" means any county, city, town, school district, or other local governmental or public entity, located within this state.

(4) Nothing in this section shall be construed to invalidate or prohibit any ordinance, resolution, regulation, rule or law by a political subdivision to establish and administer voluntary neighborhood reinvestment programs in furtherance of the goals and purposes of the "Community Reinvestment Act of 1977", 91 Stat. 1147, 12 U.S.C.A. 2901, as amended.

(5) Nothing in this section shall be construed to invalidate any ordinance, resolution, local regulation, rule or law by a political subdivision that is required to meet the criteria for adequacy of law established by the United States Department of Housing and Urban Development in order to obtain certification as a fair housing assistance program.

Added by Laws 2003, c. 330, § 10, eff. Jan. 1, 2004.

§14A-3-411. Refinancing loan to subsection 10 mortgage - Borrower's interest.

A creditor may not refinance any consumer loan to the same borrower into a loan subject to subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes, unless the refinancing is in the borrower's interest. Factors to be considered in determining whether the refinancing is in the borrower's interest include, but are not limited to, whether:

(a) the borrower's new monthly payment is lower than the total of all monthly obligations being financed, taking into account the costs and fees;

(b) there is a change in the amortization period of the new loan;

(c) the borrower receives cash in excess of the costs and fees of refinancing;

(d) the borrower's note rate of interest is reduced;

(e) there is a change from an adjustable to a fixed rate loan, taking into account costs and fees; or

(f) the refinancing is necessary to respond to a bona fide personal need or an order of a court of competent jurisdiction.

A creditor is prohibited from engaging in acts or practices to evade this provision, including a pattern or practice of arranging for the refinancing of its own loans by affiliated or unaffiliated creditors, or modifying a loan agreement, whether or not the existing loan is satisfied and replaced by the new loan, and charging a fee.

Added by Laws 2003, c. 330, § 11, eff. Jan. 1, 2004.

§14A-3-501. Definitions: "Supervised loan"; "Supervised lender".

(1) "Supervised loan" means a consumer loan in which the rate of the loan finance charge exceeds ten percent (10%) per year as determined according to the provisions on loan finance charge for consumer loans (Section 3-201).

(2) "Supervised lender" means a person authorized to make or take assignments of supervised loans.

Added by Laws 1969, c. 352, § 3-501, eff. July 1, 1969. Amended by Laws 1980, c. 122, § 4, emerg. eff. April 15, 1980.

§14A-3-502. Authority to make supervised loans - Administrative actions against unlicensed persons.

(1) Unless a person is a supervised financial organization or has first obtained a license from the Administrator authorizing the person to make supervised loans, a person shall not engage in the business of:

(a) making supervised loans; or

(b) taking assignments and undertaking direct collection of payments from or enforcement of rights against debtors arising from supervised loans.

(2) In addition to civil and criminal penalties, the Administrator may initiate administrative action against an unlicensed person as if the person held a license if the person is found to be engaging in the business of making supervised loans.

Added by Laws 1969, c. 352, § 3-502, eff. July 1, 1969. Amended by Laws 2000, c. 217, § 14, eff. July 1, 2000.

§14A-3-503. Application for license - Annual fee - Appointment of statutory agent - Bond - Criminal history check.

(1) Application for a license shall be under oath, shall give the approximate location from which the business is to be conducted, and shall contain such relevant information as the Administrator of Consumer Credit may require. When making application for one or more licenses, the applicant shall pay an investigation fee and an annual license fee.

(2) Every licensee shall maintain on file with the Administrator a written appointment of a resident of this state as the agent for service of all judicial or other process or legal notice, unless the licensee has appointed an agent under another statute of this state. In case of noncompliance, such service may be made on the Administrator.

(3) Every applicant shall, also, at the time of filing such application, file with the Administrator, if required, a bond satisfactory to the Administrator and in an amount not to exceed Five Thousand Dollars (\$5,000.00) for the first license and One Thousand Dollars (\$1,000.00) for each additional license with a surety company qualified to do business in this state as surety, whose total liability in the aggregate shall not exceed the amount of such bond so fixed. The bond shall run to the state for the use of the state and of any person or persons who may have cause of action against the obligor of the bond under the provisions of this title. Such bond shall be conditional that the obligor will faithfully conform to and abide by the provisions of this title and to all rules lawfully made by the Administrator hereunder and will pay to the state and to any such person or persons any and all amounts of money that may become due or owing to the state or to such person or persons from such obligor under and by virtue of the provisions of this title during the calendar year for which the bond is given.

(4) As part of the investigation, the Administrator may conduct a national criminal history check pursuant to subsection B of Section 150.9 of Title 74 of the Oklahoma Statutes. The applicant shall furnish to the Administrator, upon request by the Administrator, a complete set of the applicant's fingerprints that shall be certified by an authorized law enforcement officer. Added by Laws 1969, c. 352, § 3-503, eff. July 1, 1969. Amended by Laws 1987, c. 208, § 40, operative July 1, 1987; Laws 1987, c. 236, § 66, emerg. eff. July 20, 1987; Laws 2000, c. 217, § 15, eff. July 1, 2000; Laws 2009, c. 431, § 2, eff. July 1, 2009; Laws 2010, c. 415, § 1, eff. July 1, 2010.

§14A-3-504. Issuance or denial of license to make supervised loans.

(1) On filing such application, bond, and payment of the required fees, the Administrator of Consumer Credit shall investigate the facts and if the Administrator shall find the financial responsibility, experience, character and general fitness of the applicant are such as to command the confidence of the public and to warrant belief the business will be operated lawfully and fairly, within the purposes of this title, and the applicant has available for the operation of such business net assets of at least Twenty-five Thousand Dollars (\$25,000.00), the Administrator shall grant such application and issue to the applicant a license which

shall be the applicant's license and authority to make supervised loans under the provisions of this title.

(2) If the Administrator shall not so find, the Administrator shall notify the applicant, who shall, on request within thirty (30) days be entitled to a hearing on such application within sixty (60) days after the date of the request. The investigation fee shall be retained by the Administrator, but the annual fee shall be returned to the applicant in the event of denial.

(3) Each application for a license shall be granted or denied within ninety (90) days from its filing with the required fees, or, from the hearing thereon, if any, unless the period is extended by written agreement between the applicant and the Administrator or the independent hearing examiner.

(4) Each license shall state the address of the office from which the business is to be conducted and the name of the licensee. The license shall be displayed at the place of business named in the license. The license shall not be transferable or assignable except upon approval by the Administrator.

(5) Each license shall remain in full force and effect until relinquished, suspended, revoked or expired. Every licensee shall, on or before each December 1, pay to the Administrator a fee for each license held by the licensee, as the annual fee for the succeeding calendar year. The license shall expire December 31 of any year for which an annual fee has not been paid. There shall be a late fee for a late application for renewal of a license received after December 1. The fee for a duplicate or amended license shall be prescribed by rule of the Commission on Consumer Credit.

(6) Every licensee shall maintain net assets of at least Twenty-five Thousand Dollars (\$25,000.00), either used or readily available for use, in the conduct of the business of each licensed office.

(7) A separate license shall be required for each office operated under this title. The Administrator may issue more than one license to any one person upon compliance with this part as to each license. Nothing contained herein, however, shall be construed to require a license for any place of business devoted to accounting or other record keeping and where supervised loans are not made.

(8) When a licensee wishes to move an office to another location, the licensee shall give thirty (30) days' written notice to the Administrator, who shall amend the license accordingly.

(9) For purposes of this section, the term "office" shall mean a location occupied by a licensee with the following characteristics:

- (a) a manager for the office who is not common to any other supervised lender's office,
- (b) a street and mailing address separate from any other supervised lender's office,

- (c) an entrance through which the public may access only one supervised lender's office,
- (d) separation from any other supervised lender's office by walls or otherwise and through which neither employees nor the public may pass, and
- (e) any other characteristics required pursuant to rule adopted by the Administrator.

(10) Any person holding a license under this title who shall violate any provision hereof shall be subject to forfeiture of each license held by the licensee and if a corporation, its charter shall be subject to forfeiture, and it shall be the duty of the Attorney General, when any such violation is called to the Attorney General's attention, to file suit for such forfeiture of charter and cancellation of the license in a district court in Oklahoma County. Added by Laws 1969, c. 352, § 3-504, eff. July 1, 1969. Amended by Laws 1987, c. 208, § 41, operative July 1, 1987; Laws 1987, c. 236, § 67, emerg. eff. July 20, 1987; Laws 1997, c. 288, § 5; Laws 2000, c. 217, § 16, eff. July 1, 2000; Laws 2010, c. 415, § 2, eff. July 1, 2010; Laws 2015, c. 152, § 1, eff. Nov. 1, 2015.

§14A-3-505. Hearing examiner - Powers - Reinstatement - Certain disclosures required of licensee.

(1) The Administrator of Consumer Credit shall appoint an independent hearing examiner to conduct all administrative hearings involving alleged violations of this title. The independent hearing examiner shall have authority to exercise all powers granted by Article II of the Administrative Procedures Act in conducting hearings. The independent hearing examiner shall recommend penalties authorized by this title and issue proposed orders, with proposed findings of fact and proposed conclusions of law, to the Administrator pursuant to Article II of the Administrative Procedures Act. The Administrator shall review the proposed order and issue a final agency order in accordance with Article II of the Administrative Procedures Act. The costs of the hearing examiner may be assessed by the hearing examiner against the respondent, unless the respondent is the prevailing party. Any person aggrieved by a final agency order of the Administrator may obtain judicial review in accordance with the Administrative Procedures Act. The jurisdiction and venue of any such action shall be in the district court of Oklahoma County.

(2) The Administrator may, after notice and hearing, censure, probate, suspend, revoke or refuse to renew any license, or in addition to or in lieu of censure, probation, suspension or revocation, order refunds for unlawful charges if the Administrator finds that:

- (a) The licensee has failed to pay the annual license fee imposed by this title, or an examination fee,

investigation fee or other fee or charge imposed by the Administrator under the authority of this title,

- (b) The licensee, either knowingly or without the exercise of due care to prevent the same, has violated any provision of this title or any regulation or order lawfully made pursuant to and within the authority of this title, or
- (c) Any fact or condition exists which, if it had existed or had been known to exist at the time of the original application for such license, clearly would have justified the Administrator in refusing to issue such license.

(3) Any licensee may surrender any license by delivering it to the Administrator with written notice of its surrender, but such surrender shall not affect the administrative, civil or criminal liability for acts committed prior thereto.

(4) No revocation, suspension, or surrender of any license shall impair or affect the obligation of any preexisting lawful contract between the licensee and any borrower.

(5) The Administrator may reinstate suspended licenses or issue new licenses to a person whose license or licenses have been revoked if no fact or condition then exists which clearly would have justified the Administrator or the independent hearing examiner in refusing originally to issue such license under this part.

(6) Every licensee shall notify the Administrator of the conviction of or plea of guilty or nolo contendere to any felony within thirty (30) days after the plea is taken and also within thirty (30) days of the entering of an order of judgment and sentencing and shall notify the Administrator of any administrative action resulting in revocation, suspension, or amendment of a license taken against the licensee in another state within thirty (30) days of the entering of the administrative order in that state. Added by Laws 1969, c. 352, § 3-505, eff. July 1, 1969. Amended by Laws 2000, c. 217, § 17, eff. July 1, 2000; Laws 2010, c. 415, § 3, eff. July 1, 2010; Laws 2015, c. 319, § 4, eff. Nov. 1, 2015.

§14A-3-506. Examination of licensees - Access to records - Investigations.

(1) At such times as the Administrator of Consumer Credit shall deem necessary, the Administrator or a duly authorized representative shall make an examination of the place or places of business of each licensee and shall inquire into and examine the loans, transactions, books, accounts, papers, correspondence, and records of such licensee insofar as they pertain to the business regulated by this title. In the course of such examination, the Administrator or the duly authorized representative shall have free access to the office, place of business, files, safes and vaults of

such licensee, and shall have the right to make copies of such books, accounts, papers, correspondence and records. The Administrator or the duly authorized representative may, during the course of such examination, administer oaths and examine any person under oath upon any subject pertinent to any matter about which the Administrator is authorized or required by this title to consider, investigate, or secure information. Any licensee who shall fail or refuse to let the Administrator or the duly authorized representative examine or make copies of such books, or other relevant documents shall thereby be deemed in violation of this title and such failure or refusal shall constitute grounds for the administrative action against such license. The information obtained in the course of such examination shall be confidential. Each licensee shall pay to the Administrator an examination fee. The Administrator may require payment of an examination fee either at the time of initial application, renewal of the license, or after an examination has been conducted.

(2) For the purpose of discovering violations of this title or of securing information required hereunder, the Administrator or a duly authorized representative may investigate the books, accounts, papers, correspondence and records of any licensee or other person whom the Administrator has reasonable cause to believe is violating any provision of this title whether or not such person shall claim to be within the authority or scope of this part. For the purpose of this part, any person who advertises for, solicits or otherwise communicates a willingness to make loans on which the loan finance charge exceeds ten percent (10%) per year as determined according to the provisions on loan finance charges for consumer loans, Section 3-201 of this title, shall be presumed to be engaged in the business of making supervised loans.

(3) Each licensee shall keep or make available in this state such books and records relating to loans made under this title as are necessary to enable the Administrator to determine whether the licensee is complying with this title. Such books and records shall be consistent with accepted accounting practices.

(4) Each licensee shall preserve or make available such books and records in this state relating to each of its loans for four (4) years from the date of the loan, or two (2) years from the date of the final entry made thereon, whichever is later. Each licensee's system of records shall be accepted if it discloses such information as may be reasonably required under this title. All obligations signed by borrowers shall be kept at an office in this state designated by the licensee, except when transferred under an agreement which gives the Administrator access thereto.

(5) Each licensee shall, annually on or before the first day of May, file a report with the Administrator setting forth such relevant information as the Administrator may reasonably require

concerning the business and operations during the preceding calendar year for each licensed place of business conducted by such licensee within the state. Such report shall be made under oath and shall be in the form prescribed by the Administrator, who shall make and publish annually a consolidated analysis and recapitulation of such reports, but the individual reports shall be held confidential. There shall be a late fee for any annual report received after May 1.

(6) The Administrator may promulgate rules necessary for the enforcement of this title and consistent with all of its provisions. Before adopting a rule the Administrator shall give every licensee at least twenty (20) days' written notice of a public hearing, stating the time and place thereof and the terms or substance of the proposed rule. At the hearing, any licensee or other person may be heard and introduce evidence, data, or arguments or place the same on file. The Administrator shall adopt and promulgate every rule in written form stating the date of adoption and the date of promulgation. A copy of every rule shall be mailed to each licensee prior to the effective date.

(7) On application of any person and payment of the costs therefor, the Administrator shall furnish under the Administrator's seal and signed by the Administrator or an assistant, a certificate of good standing or a certified copy of any license, rule or order.

(8) Any transcript of any hearing held by the Administrator or the independent hearing examiner under this title shall be a public record and open to inspection at all reasonable times.

(9) Upon failure without lawful excuse to obey a subpoena or to give testimony and upon reasonable notice to all persons affected thereby, the Administrator or a representative may apply to a court for an order compelling compliance, as provided by the Administrative Procedures Act.

(10) There shall be assessed, in addition to any other penalties provided for by law, an administrative service fee for each check returned to the Department of Consumer Credit or any agent thereof by reason of the refusal of the bank upon which such check was drawn to honor the same. However, the fee provided in this subsection shall not be assessed for any check returned because of "insufficient funds" unless the check has been presented to the bank two times and payment declined by the bank.

Added by Laws 1969, c. 352, § 3-506, eff. July 1, 1969. Amended by Laws 1987, c. 208, § 42, operative July 1, 1987; Laws 1987, c. 236, § 68, emerg. eff. July 20, 1987; Laws 1993, c. 270, § 24, eff. Sept. 1, 1993; Laws 1993, c. 329, § 9, eff. Sept. 1, 1993; Laws 2000, c. 217, § 18, eff. July 1, 2000; Laws 2010, c. 415, § 4, eff. July 1, 2010.

§14A-3-507. Application of Administrative Procedure Act to Part.

Except as otherwise provided, the general act of this state governing administrative procedures (Title 75, Oklahoma Statutes, Chapters 7 and 8) applies to and governs all administrative action taken by the Administrator pursuant to this part.
Added by Laws 1969, c. 352, § 3-507, eff. July 1, 1969.

§14A-3-508A. Loan finance charge for supervised loans.

(1) With respect to a supervised loan, including a loan pursuant to a revolving loan account, a supervised lender may contract for and receive a loan finance charge not exceeding that permitted by this section.

(2) The loan finance charge, calculated according to the actuarial method, may not exceed the equivalent of the greater of either of the following:

(a) the total of:

(i) thirty-two percent (32%) plus the federal funds rate per year on that part of the unpaid balances of the principal which is Seven Thousand Dollars (\$7,000.00) or less;

(ii) twenty-three percent (23%) plus the federal funds rate per year on that part of the unpaid balances of the principal which is more than Seven Thousand Dollars (\$7,000.00) but does not exceed Eleven Thousand Dollars (\$11,000.00); and

(iii) twenty percent (20%) plus the federal funds rate per year on that part of the unpaid balances of the principal which is more than Eleven Thousand Dollars (\$11,000.00); or

(b) twenty-five percent (25%) plus the federal funds rate per year on the unpaid balances of the principal.

(3) This section does not limit or restrict the manner of contracting for the loan finance charge, whether by way of add-on, discount, or otherwise, so long as the rate of the loan finance charge does not exceed that permitted by this section. If the loan is precomputed:

(a) the loan finance charge may be calculated on the assumption that all scheduled payments will be made when due; and

(b) the effect of prepayment is governed by the provisions on rebate upon prepayment (Section 3-210).

(4) In addition to the loan finance charge permitted in this section and other charges permitted in this act, a supervised lender may assess a lender closing fee not to exceed Twenty-eight Dollars and eighty-five cents (\$28.85) upon consummation of the loan.

(5) The term of a loan, for the purpose of this section, commences on the date the loan is made. Differences in the lengths of months are disregarded and a day may be counted as one-thirtieth

(1/30) of a month. Subject to classifications and differentiations the lender may reasonably establish, a part of a month in excess of fifteen (15) days may be treated as a full month if periods of fifteen (15) days or less are disregarded and if that procedure is not consistently used to obtain a greater yield than would otherwise be permitted.

(6) Subject to classifications and differentiations the lender may reasonably establish, he may make the same loan finance charge on all principal amounts within a specified range. A loan finance charge so made does not violate subsection (2) of this section if:

- (a) when applied to the median amount within each range, it does not exceed the maximum permitted in subsection (2) of this section; and
- (b) when applied to the lowest amount within each range, it does not produce a rate of loan finance charge exceeding the rate calculated according to paragraph (a) of this subsection by more than eight percent (8%) of the rate calculated according to paragraph (a) of this subsection.

(7) As used in this section, the "federal funds rate" means the rate published by the Board of Governors of the Federal Reserve System in its statistical release H.15 Selected Interest Rates and in effect as of the first day of each month immediately preceding the month during which the loan is consummated.

Added by Laws 1969, c. 352, § 3-508A, eff. July 1, 1969. Amended by Laws 1981, c. 177, § 3; Laws 2014, c. 297, § 2; Laws 2015, c. 89, § 1, eff. Nov. 1, 2015; Laws 2021, c. 142, § 3, eff. Nov. 1, 2021; Laws 2023, c. 67, § 1, eff. Nov. 1, 2023.

§14A-3-508B. Loan finance charge for loans with principal of Three Thousand Dollars or less.

1. On loans having a principal of 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 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 Five Dollars and forty cents (\$5.40) for each Twenty-seven Dollars (\$27.00) of principal,
- b. on any loan in an amount in excess of One Hundred Sixty-one Dollars and ninety-five cents (\$161.95) up to and including the amount of 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 Sixteen Dollars and twenty cents (\$16.20) per month,
- c. on any loan of an amount in excess of One Hundred Eighty-nine Dollars (\$189.00) but not more than Three Hundred Seventy-eight Dollars (\$378.00), 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 Eighteen Dollars and ninety cents (\$18.90) per month,
 - d. on any loan of an amount in excess of Three Hundred Seventy-eight Dollars (\$378.00) but not in excess of Five Hundred and Forty Dollars (\$540.00), 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 Twenty-one Dollars and sixty cents (\$21.60) per month,
 - e. on any loan in an amount in excess of Five Hundred Forty Dollars (\$540.00) up to and including the amount of Eight Hundred Ten Dollars (\$810.00), 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 Twenty-four Dollars and thirty cents (\$24.30) per month,
 - f. on any loan of an amount in excess of Eight Hundred Ten Dollars (\$810.00) but not more than One Thousand Eighty Dollars (\$1,080.00), 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 Twenty-seven Dollars (\$27.00) per month,
 - g. on any loan of an amount in excess of One Thousand Eighty Dollars (\$1,080.00) but not more than One Thousand Three Hundred Fifty Dollars (\$1,350.00), 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 Twenty-nine Dollars and seventy cents (\$29.70) per month,

- h. on any loan of an amount in excess of One Thousand Three Hundred Fifty Dollars (\$1,350.00) but not more than One Thousand Six Hundred Twenty Dollars (\$1,620.00), 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 Thirty-two Dollars and forty cents (\$32.40) per month,
- i. on any loan of an amount in excess of One Thousand Six Hundred Twenty Dollars (\$1,620.00) but not more than Two Thousand Dollars (\$2,000.00), there shall be allowed an acquisition charge for making the loan not in excess of one-tenth (1/10) of the amount of principal. In addition thereto, an installment account handling charge shall be allowed not to exceed Forty Dollars (\$40.00) per month,
- j. on any loan of an amount in excess of Two Thousand Dollars (\$2,000.00) but not more than Two Thousand Five Hundred Dollars (\$2,500.00), there shall be allowed an acquisition charge for making the loan not in excess of one-tenth (1/10) of the amount of principal. In addition thereto, an installment account handling charge shall be allowed not to exceed Fifty Dollars (\$50.00) per month, and
- k. on any loan of an amount in excess of Two Thousand Five Hundred Dollars (\$2,500.00) but not more than Three Thousand Dollars (\$3,000.00), there shall be allowed an acquisition charge for making the loan not in excess of one-tenth (1/10) of the amount of principal. In addition thereto, an installment account handling charge shall be allowed not to exceed Sixty Dollars (\$60.00) per month.

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

3. The minimum term of any loan made under the terms of subparagraphs a through k of paragraph 1 of this section shall be no less than sixty (60) days. Any loan made under the terms of this section shall be scheduled to be payable in substantially equal

installments at not less than thirty-day intervals, with the first installment to be scheduled to be due not less than one (1) calendar month after the date such loan is made.

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

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

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

Added by Laws 1969, c. 352, § 3-508B, eff. July 1, 1969. Amended by Laws 1979, c. 109, § 4, emerg. eff. April 25, 1979; Laws 1997, c. 288, § 7; Laws 2006, c. 203, § 2, eff. July 1, 2006; Laws 2019, c. 178, § 2, eff. Nov. 1, 2019; Laws 2022, c. 207, § 2, eff. Nov. 1, 2022.

§14A-3-508C. Electronic payment processing convenience fee.

A. In addition to the loan finance charges permitted by Sections 3-508A and 3-508B of Title 14A of the Oklahoma Statutes, a lender may contract for and receive a convenience fee from any

borrower making his or her payment by debit card, electronic funds transfer, electronic check or other electronic means in order to offset the costs incurred by a lender for accepting and processing payments by electronic means.

B. Any convenience fee imposed and collected by a lender pursuant to this section shall not exceed the actual cost or four percent (4%) of the electronic payment transaction, whichever is less.

C. Any lender charging a convenience fee pursuant to this section shall notify the customer of the amount of the fee prior to completing an electronic payment transaction, and shall provide the customer an opportunity to cancel the transaction without incurring a fee. A lender shall make available the option to make payments on a loan by check, cash or money order directly to the lender without the imposition of a convenience fee or by various types of electronic payment transactions with any convenience fee fully disclosed either in the loan contract or at the time of the transaction.

D. When a borrower elects to make a payment to the lender by debit card, electronic funds transfer, electronic check or other electronic means and a convenience fee is imposed and collected pursuant to this section, the payment of the convenience fee shall not be refundable.

E. For purposes of this section, "actual costs" means actual third-party costs incurred for the processing of payments made by electronic means. If the lender is a subsidiary of an entity that processes payments made by electronic means, the parent entity shall be considered a third party.

Added by Laws 2018, c. 109, § 1, eff. Nov. 1, 2018.

§14A-3-509. Use of multiple agreements or split loans.

A lender may not, whether acting independently or in concert with one or more other lenders, use multiple agreements or split a loan (including any refinancing thereof) into multiple loans with intent to obtain a higher rate or amount of loan finance charge under Section 3-508A or 3-508B, whichever is appropriate, than would otherwise be permitted by this article or to avoid disclosure of an annual percentage rate pursuant to the provisions on disclosure and advertising (Part 3). The excess amount of loan finance charge provided for in agreements or split loans in violation of this section are excess charges for the purposes of the provisions on effect of violation on rights of parties (Section 5-202) and the provisions on civil actions by Administrator (Section 6-113).

Added by Laws 1969, c. 352, § 3-509, eff. July 1, 1969. Amended by Laws 1974, c. 95, § 2; Laws 1997, c. 288, § 8.

§14A-3-510. Restrictions on interest in land as security.

(1) With respect to a supervised loan in which the principal is One Thousand Dollars (\$1,000.00) or less, and the loan finance charge calculated according to the actuarial method exceeds twenty-one percent (21%) per year on the unpaid balances of principal, a lender may not contract for an interest in land as security. A security interest taken in violation of this section is void.

(2) This section shall not apply with respect to an open-end credit plan under which a lender makes advances and takes or retains a security interest in the principal dwelling of the debtor where the advances are made in accordance with an established credit limit of at least One Thousand Dollars (\$1,000.00) for the plan.

Added by Laws 1969, c. 352, § 3-510, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 48, operative Oct. 1, 1982.

§14A-3-511. Regular schedule of payments - Maximum loan term.

Supervised loans, not made pursuant to a revolving loan account, in which the principal is One Thousand Dollars (\$1,000.00) or less and the rate of the loan finance charge calculated according to the actuarial method exceeds eighteen percent (18%) on the unpaid balances of the principal, shall be scheduled to be payable in substantially equal installments at equal periodic intervals except to the extent that the schedule of payments is adjusted to the seasonal or irregular income of the debtor; and

- (a) over a period of not more than forty-nine (49) months if the principal is more than Three Hundred Dollars (\$300.00); or
- (b) over a period of not more than thirty-seven (37) months if the principal is Three Hundred Dollars (\$300.00) or less.

Added by Laws 1969, c. 352, § 3-511, eff. July 1, 1969. Amended by Laws 1989, c. 55, § 1, eff. Nov. 1, 1989.

§14A-3-512. Conduct of business other than making loans.

A. 1. Except as provided in subsection B of this section, a licensee who is authorized to make supervised loans under this Part shall not engage in the business of making sales of goods at any location where supervised loans are made; provided, however, a licensee may make sales of goods through vending machines at the location where supervised loans are made and may sell other goods approved by the Administrator of the Department of Consumer Credit which are paid for by a consumer in cash and not with the proceeds of a loan by the licensee also making the sale. The word "location" as used in this section means the entire space in which supervised loans are made and said location must be separated from any location in which merchandise is sold or displayed by walls which may be broken only by a passageway to which the public is not admitted.

2. A sale of goods or services pursuant to a lender credit card or similar arrangement made at a place of business other than that of a licensee does not violate this section.

3. An occasional sale of property used in the ordinary course of the business of the licensee does not violate this section.

4. A sale of items repossessed by the licensee does not violate this section.

5. No licensee shall conduct the business of making loans under the Consumer Credit Code under any name, or at any place of business within this state, other than that stated in the license.

B. A licensee who is authorized to make supervised loans under this Part may sell goods at any location where supervised loans are made upon meeting the following conditions:

1. The Administrator of the Department of Consumer Credit shall be notified in writing of the type and nature of goods to be sold at the location of the licensee;

2. Any sale of goods authorized pursuant to this subsection shall be purchased through a loan with the licensee; and

3. All goods sold by the licensee pursuant to this subsection shall be restricted to purchase loans made only at A-lender rates and terms.

The Administrator shall promulgate rules to ensure lenders comply with the requirements of this subsection.

Added by Laws 1969, c. 352, § 3-512, eff. July 1, 1969. Amended by Laws 1997, c. 288, § 1; Laws 2018, c. 111, § 1, eff. Nov. 1, 2018.

§14A-3-513. Application of other provisions.

Except as otherwise provided, all provisions of this act applying to consumer loans apply to supervised loans.

Added by Laws 1969, c. 352, § 3-513, eff. July 1, 1969.

§14A-3-514. Attorney's fees.

With respect to a supervised loan in which the principal is One Thousand Dollars (\$1,000.00) or less, the agreement may not provide for the payment by the debtor of attorney's fees; however, a court may award reasonable attorney's fees to a prevailing litigant in any transaction where such fees may be awarded in accordance with other statutes of this state. A provision in violation of this section is unenforceable.

Added by Laws 1969, c. 352, § 3-514, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 49, operative June 1, 1982.

§14A-3-515. Restrictions on interest in motor vehicles as security.

Restrictions on interest in motor vehicles as security.

With respect to a supervised loan made under the provisions of Section 3-508B of this title in which the principal is Three Hundred Dollars (\$300.00) or less, a lender may not contract for an interest

in motor vehicles as security. A security interest taken in violation of this section is void.

Added by Laws 1997, c. 288, § 6.

§14A-3-601. Loans subject to act by agreement of parties.

The parties to a loan other than a consumer loan may agree in writing signed by the parties that the loan is subject to the provisions of this act applying to consumer loans. If the parties so agree, the loan is a consumer loan for the purposes of this act.

Added by Laws 1969, c. 352, § 3-601, eff. July 1, 1969.

§14A-3-602. Repealed by Laws 1982, c. 335, § 58, operative June 1, 1982.

§14A-3-603. Repealed by Laws 1982, c. 335, § 58, operative June 1, 1982.

§14A-3-604. Repealed by Laws 1982, c. 335, § 58, operative June 1, 1982.

§14A-3-605. Loan finance charge for other loans.

With respect to a loan other than a consumer loan, the parties may contract for the payment by the debtor of any loan finance charge, not in excess of the rate of loan finance charge specified in Section 5-107(2).

Added by Laws 1969, c. 352, § 3-605, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 50, operative June 1, 1982.

§14A-3-701. Short title - Oklahoma Private Student Loan Transparency and Improvement Act.

Sections 7 through 11 of this act shall be known and may be cited as the "Oklahoma Private Student Loan Transparency and Improvement Act".

Added by Laws 2013, c. 99, § 7, eff. July 1, 2013.

§14A-3-702. Definitions.

(1) The term "covered educational institution" means any educational institution that offers a postsecondary educational degree, certificate, or program of study (including any institution of higher education) and includes an agent, officer, or employee of the educational institution.

(2) (a) The term "gift" means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having more than a de minimis monetary value, including services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been

incurred. Gift includes an item described in this paragraph provided to a family member of an officer, employee, or agent of a covered educational institution, or to any other individual based on that individual's relationship with the officer, employee, or agent, if the item is provided with the knowledge and acquiescence of the officer, employee, or agent; and the officer, employee, or agent has reason to believe the item was provided because of the official position of the officer, employee, or agent.

- (b) Gift does not include:
- (i) standard informational material related to a loan, default aversion, default prevention, or financial literacy;
 - (ii) food, refreshments, training, or informational material furnished to an officer, employee, or agent of a covered educational institution, as an integral part of a training session or through participation in an advisory council that is designed to improve the service of the private educational lender to the covered educational institution, if such training or participation contributes to the professional development of the officer, employee, or agent of the covered educational institution;
 - (iii) favorable terms, conditions, and borrower on a private education loan provided to a student employed by the covered educational institution, if such terms, conditions, or benefits are not provided because of the student's employment with the covered educational institution;
 - (iv) the provision of financial literacy counseling or services, including counseling or services provided in coordination with a covered educational institution, to the extent that such counseling or services are not undertaken to secure:
 - (aa) applications for private education loans or private education loan volume;
 - (bb) applications or loan volume for any loan made, insured, or guaranteed under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.);
 - (cc) the purchase of a product or service of a specific private educational lender;
 - (dd) philanthropic contributions to a covered educational institution from a private

educational lender that are unrelated to private education loans and are not made in exchange for any advantage related to private education loans; or

(ee) state education grants, scholarships, or financial aid funds administered by or on behalf of a state.

(3) The term "institution of higher education" has the same meaning as in 20 U.S.C. 1002.

(4) The term "postsecondary educational expenses" means any of the expenses that are included as part of the cost of attendance of a student, as defined in 20 U.S.C. 1087.

(5) The term "preferred lender arrangement" has the same meaning as in Section 151 of the Higher Education Act of 1965.

(6) The term "private educational lender" means:

(a) a financial institution, as defined in 12 U.S.C. 1813 that solicits, makes, or extends private education loans;

(b) a Federal credit union, as defined in 12 U.S.C. 1752 that solicits, makes, or extends private education loans; and

(c) any other person engaged in the business of soliciting, making, or extending private education loans.

(7) The term "private education loan" means a loan provided by a private educational lender that:

(a) is not made, insured, or guaranteed under 20 U.S.C. 1070 et seq.;

(b) is issued expressly for postsecondary educational expenses to a borrower, regardless of whether the loan is provided through the educational institution that the subject student attends or directly to the borrower from the private educational lender; and

(c) does not include an extension of credit under an open-end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling.

(8) The term "revenue sharing" means an arrangement between a covered educational institution and a private educational lender under which:

(a) a private educational lender provides or issues private education loans with respect to students attending the covered educational institution;

(b) the covered educational institution recommends to students or others the private educational lender or

the private education loans of the private educational lender; and

- (c) the private educational lender pays a fee or provides other material benefits, including profit sharing, to the covered educational institution in connection with the private education loans provided to students attending the covered educational institution or a borrower acting on behalf of a student.

Added by Laws 2013, c. 99, § 8, eff. July 1, 2013.

§14A-3-703. Prohibition on gifts - Revenue sharing.

A private educational lender may not, directly or indirectly:

- (a) offer or provide any gift to a covered educational institution in exchange for any advantage or consideration provided to such private educational lender related to its private educational loan activities; or
- (b) engage in revenue sharing with a covered educational institution.

Added by Laws 2013, c. 99, § 9, eff. July 1, 2013.

§14A-3-704. Restrictions on private educational lenders.

(1) A private educational lender may not use the name, emblem, mascot, or logo of the covered educational institution, or other words, pictures, or symbols readily identified with the covered educational institution, in the marketing of private education loans in any way that implies that the covered educational institution endorses the private education loans offered by the private educational lender.

(2) Any person who is employed in the financial aid office of a covered educational institution, or who otherwise has responsibilities with respect to private education loans or other financial aid of the institution, and who serves on an advisory board, commission, or group established by a private educational lender or group of such lenders shall be prohibited from receiving anything of value from the private educational lender or group of lenders. Nothing in this subsection prohibits the reimbursement of reasonable expenses incurred by an employee of a covered educational institution as part of their service on an advisory board, commission, or group described in this subsection.

(3) It shall be unlawful for any private educational lender to impose a fee or penalty on a borrower for early repayment or prepayment of any private education loan.

(4) An institution of higher education shall publicly disclose any contract or other agreement made with a card issuer or creditor for the purpose of marketing a credit card.

- (5) No card issuer or creditor may offer to a student at an institution of higher education any tangible item to induce such student to apply for or participate in an open-end consumer credit plan offered by such card issuer or creditor, if such offer is made:
- (a) on the campus of an institution of higher education;
 - (b) near the campus of an institution of higher education, as determined by rule of the Administrator; or
 - (c) at an event sponsored by or related to an institution of higher education.

Added by Laws 2013, c. 99, § 10, eff. July 1, 2013.

§14A-3-705. Private educational loan application disclosures - Cancellation period.

(1) In any application for a private education loan, or a solicitation for a private education loan without requiring an application, the private educational lender shall disclose to the borrower, clearly and conspicuously:

- (a) the potential range of rates of interest applicable to the private education loan;
- (b) whether the rate of interest applicable to the private education loan is fixed or variable;
- (c) limitations on interest rate adjustments, both in terms of frequency and amount, or the lack thereof, if applicable;
- (d) requirements for a co-borrower, including any changes in the applicable interest rates without a co-borrower;
- (e) potential finance charges, late fees, penalties, and adjustments to principal, based on defaults or late payments of the borrower;
- (f) fees or range of fees applicable to the private education loan;
- (g) the term of the private education loan;
- (h) whether interest will accrue while the student to whom the private education loan relates is enrolled at a covered educational institution;
- (i) payment deferral options;
- (j) general eligibility criteria for the private education loan;
- (k) an example of the total cost of the private education loan over the life of the loan:
 - (i) which shall be calculated using the principal amount and the maximum rate of interest actually offered by the private educational lender; and
 - (ii) calculated both with and without capitalization of interest, if an option exists for postponing interest payments;

- (l) that a covered educational institution may have school-specific education loan benefits and terms not detailed on the disclosure form;
- (m) that the borrower may qualify for federal student financial assistance through a program under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), in lieu of, or in addition to, a loan from a nonfederal source;
- (n) the interest rates available with respect to such federal student financial assistance through a program under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.);
- (o) that, as provided in subsection (6) of this section:
 - (i) the borrower shall have the right to accept the terms of the loan and consummate the transaction at any time within thirty (30) calendar days (or such longer period as the private educational lender may provide) following the date on which the application for the private education loan is approved and the borrower receives the disclosure documents required under this subsection for the loan; and
 - (ii) except for changes based on adjustments to the index used for a loan, the rates and terms of the loan may not be changed by the private educational lender during the period described in subparagraph (i) of this paragraph;
- (p) that before a private education loan may be consummated, the borrower must obtain from the relevant institution of higher education the form required under subsection (3) of this section, and complete, sign, and return such form to the private educational lender;
- (q) that the consumer may obtain additional information concerning such federal student financial assistance from their institution of higher education, or at the website of the United States Department of Education; and
- (r) such other information as the Administrator shall prescribe, by rule, as necessary or appropriate for consumers to make informed borrowing decisions.

(2) Contemporaneously with the approval of a private education loan application, and before the loan transaction is consummated, the private educational lender shall disclose to the borrower, clearly and conspicuously:

- (a) the applicable rate of interest in effect on the date of approval;

- (b) whether the rate of interest applicable to the private education loan is fixed or variable;
- (c) limitations on interest rate adjustments, both in terms of frequency and amount, or the lack thereof, if applicable;
- (d) the initial approved principal amount;
- (e) applicable finance charges, late fees, penalties, and adjustments to principal, based on borrower defaults or late payments, including limitations on the discharge of a private education loan in bankruptcy;
- (f) fees or range of fees applicable to the private education loan;
- (g) the maximum term under the private education loan program;
- (h) an estimate of the total amount for repayment, at both the interest rate in effect on the date of approval and at the maximum possible rate of interest offered by the private educational lender and applicable to the borrower, to the extent that such maximum rate may be determined, or if not, a good-faith estimate thereof;
- (i) any principal and interest payments required while the student for whom the private education loan is intended is enrolled at a covered educational institution and unpaid interest that will accrue during such enrollment;
- (j) payment deferral options applicable to the borrower;
- (k) whether monthly payments are graduated;
- (l) that, as provided in subsection (6) of this section:
 - (i) the borrower shall have the right to accept the terms of the loan and consummate the transaction at any time within thirty (30) calendar days (or such longer period as the private educational lender may provide) following the date on which the application for the private education loan is approved and the borrower receives the disclosure documents required under this subsection for the loan; and
 - (ii) except for changes based on adjustments to the index used for a loan, the rates and terms of the loan may not be changed by the private educational lender during the period described in subparagraph (i) of this paragraph;
- (m) that the borrower:
 - (i) may qualify for federal financial assistance through a program under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.),

- in lieu of, or in addition to, a loan from a nonfederal source; and
- (ii) may obtain additional information concerning such assistance from their institution of higher education or the website of the United States Department of Education;
- (n) the interest rates available with respect to such federal financial assistance through a program under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.);
- (o) the maximum monthly payment, calculated using the maximum rate of interest actually offered by the private educational lender and applicable to the borrower, to the extent that such maximum rate may be determined, or if not, a good-faith estimate thereof; and
- (p) such other information as the Administrator shall prescribe, by rule, as necessary or appropriate for consumers to make informed borrowing decisions.

(3) Before a private educational lender may consummate a private education loan with respect to a student attending an institution of higher education, the lender shall obtain from the applicant for the private education loan the form developed by the Secretary of the United States Department of Education under Section 155 of the Higher Education Act of 1965, signed by the applicant, in written or electronic form. No other provision of this section shall be construed to require a private educational lender to perform any additional duty under this subsection, other than collecting the form required under this subsection.

(4) Contemporaneously with the consummation of a private education loan, a private educational lender shall make to the borrower each of the disclosures described in:

- (a) paragraph (a) of subsection (2) of this section (adjusted, as necessary, for the rate of interest in effect on the date of consummation, based on the index used for the loan);
- (b) paragraphs (b) through (k) and (m) through (p) of subsection (2) of this section; and
- (c) subsection (7) of this section.

(5) The Administrator shall publish model forms that may be used, at the option of the private educational lender, for the provision of disclosures required under this section.

- (a) Model forms developed under this subsection shall:
 - (i) be comprehensible to borrowers, with a clear format and design;
 - (ii) provide for clear and conspicuous disclosures;

- (iii) enable borrowers easily to identify material terms of the loan and to compare such terms among private education loans; and
- (iv) be succinct, and use an easily readable type font.

(b) Any private educational lender that elects to provide a model form developed under this subsection that accurately reflects the practices of the private educational lender shall be deemed to be in compliance with the disclosures required under this section.

(6) With respect to a private education loan, the borrower shall have the right to accept the terms of the loan and consummate the transaction at any time within thirty (30) calendar days (or such longer period as the private educational lender may provide) following the date on which the application for the private education loan is approved and the borrower receives the disclosure documents required for the loan, and the rates and terms of the loan may not be changed by the private educational lender during that period. Except for changes based on adjustments to the index used for a loan, the rates and terms of the loan may not be changed by the private educational lender prior to the earlier of:

- (a) the date of acceptance of the terms of the loan and consummation of the transaction by the borrower, as described in this subsection; or
- (b) the expiration of the period described in this subsection.

(7) With respect to a private education loan, the borrower may cancel the loan, without penalty to the borrower, at any time within three (3) business days of the date on which the loan is consummated, and the private educational lender shall disclose such right to the borrower in accordance with subsection (4) of this section.

(8) No funds may be disbursed with respect to a private education loan until the expiration of the three-day period described in subsection (7) of this section.

(9) In issuing regulations under this section, the Administrator shall prevent, to the extent possible, duplicative disclosure requirements for private educational lenders that are otherwise required to make disclosures under this title, except that in any case in which the disclosure requirements of this section differ or conflict with the disclosure requirements of any other provision of this title, the requirements of this section shall be controlling.

(10) Each private educational lender that has a preferred lender arrangement with a covered educational institution shall annually provide to the covered educational institution such information as the Administrator determines to include in the model

form developed under subsection (5) of this section for each type of private education loan that the lender plans to offer to students attending the covered educational institution, or to the families of such students, for the next award year (as that term is defined in Section 481 of the Higher Education Act of 1965).
Added by Laws 2013, c. 99, § 11, eff. July 1, 2013.

§14A-3-801. Definitions.

DEFINITIONS.

As used in this act:

1. "Administrator" means the Administrator of Consumer Credit;
2. "Advertise" means to publish or disseminate a written, electronic, or printed communication, or to publish, disseminate, circulate, or place directly or indirectly before the public a communication by means of a recorded telephone message or a communication transmitted on radio, television, the Internet, or similar communications media, including film strips, motion pictures, and videos, for the purpose of inducing a person to enter into a consumer litigation funding agreement;
3. "Charge" or "charges" means the amount paid to a consumer litigation funder by or on behalf of the consumer, in addition to the funded amount provided by or on behalf of the funder to a consumer. The term includes an administrative fee, origination fee, underwriting fee, and other fees, regardless of how the fee is denominated, and any amounts denominated as interest;
4. "Consumer" means an individual who has a pending legal claim and who:
 - a. resides in this state, or
 - b. has a legal claim in this state;
5. "Consumer litigation funder" or "funder" means a person that enters into a consumer litigation funding agreement with a consumer. The term does not include:
 - a. an attorney who, at the time money is provided to or on behalf of a consumer under a consumer litigation funding agreement, has an attorney-client relationship with the consumer concerning the consumer's legal claim,
 - b. an accountant who provides accounting services to the consumer, or
 - c. an immediate family member of the consumer;
6. "Consumer litigation funding agreement" means an agreement:
 - a. under which money is provided to or on behalf of a consumer by a consumer litigation funder for a purpose other than prosecuting the consumer's legal claim, and
 - b. the repayment of the money is in accordance with a litigation funding transaction the terms of which are

included as part of the consumer litigation funding agreement;

7. "Funded amount" means the amount provided to or on behalf of the consumer under a consumer litigation funding agreement. The term does not include a charge;

8. "Funding date" means the date on which the consumer litigation funder:

- a. transfers the funded amount to the consumer by personal delivery or by wire, ACH debit, or other electronic means, or
- b. mails the funded amount to the consumer by insured, certified, or registered United States mail;

9. "Immediate family member" means:

- a. a parent, sibling, spouse, grandparent, or grandchild of an individual, or
- b. a child related by blood, adoption, or marriage to an individual;

10. "Legal claim" includes:

- a. a civil action,
- b. an alternative dispute resolution proceeding, or
- c. an administrative proceeding before an agency of this state, except for workers' compensation claims, which are not assignable;

11. "Litigation funding transaction" means a non-recourse transaction in which a consumer litigation funder purchases, and a consumer assigns to the funder, a contingent right to receive an amount of the potential proceeds of a settlement, judgment, award, or verdict obtained in the consumer's legal claim; and

12. "Resolution date" means the date on which the sum of the amount funded to the consumer and the agreed to charges is delivered to the consumer litigation funder.

Added by Laws 2013, c. 386, § 1, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-701 to avoid a duplication in numbering.

§14A-3-802. Nonapplicability of act.

NONAPPLICABILITY OF ACT.

Except as specifically provided by this act, this act does not apply to the following persons who enter into a consumer litigation funding agreement with a consumer:

1. An immediate family member of the consumer;
2. An accountant who provides accounting services to the consumer; or

3. An attorney who, at the time money is provided to or on behalf of a consumer under a consumer litigation funding agreement, has an attorney-client relationship with the consumer concerning the consumer's legal claim.

Added by Laws 2013, c. 386, § 2, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-702 to avoid a duplication in numbering.

§14A-3-803. Agreement required.

AGREEMENT REQUIRED.

A person who is not described by Section 2 of this act may not enter into a litigation funding transaction with a consumer except under a consumer litigation funding agreement that complies with this act.

Added by Laws 2013, c. 386, § 3, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-703 to avoid a duplication in numbering.

§14A-3-804. Duty of attorney.

DUTY OF ATTORNEY.

An attorney representing a consumer in the legal claim is not under a duty to assign any portion of payments from a settlement, judgment, award, or verdict to the consumer litigation funder unless the attorney has agreed to do so in writing.

Added by Laws 2013, c. 386, § 4, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-704 to avoid a duplication in numbering.

§14A-3-805. Form of agreement - Requirement of existing legal claim.

FORM OF AGREEMENT; REQUIREMENT OF EXISTING LEGAL CLAIM.

A. A consumer litigation funding agreement shall:

1. Be in writing;
2. Contain the initials of the consumer on each page; and
3. Be otherwise complete when presented to the consumer for

signature.

B. A consumer litigation funding agreement may be entered into only if the agreement relates to:

1. An existing legal claim that has been made by or on behalf of the consumer against another person, including the other person's insurer or the consumer's own insurer; or
2. An existing proceeding in which the consumer's legal claim is intended to be resolved and with regard to which the consumer is represented by an attorney.

Added by Laws 2013, c. 386, § 5, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-705 to avoid a duplication in numbering.

§14A-3-806. Right of rescission.

RIGHT OF RESCISSION.

A consumer litigation funding agreement shall contain inside a text box, in bold type, a right of rescission permitting the consumer to cancel the agreement without penalty or further obligation if, not later than the fifth business day after the funding date, the consumer:

1. Returns to the consumer litigation funder the full amount of the disbursed funds by personally delivering the funder's uncashed check to the funder's office; or

2. Sends by insured, certified, or registered United States mail to the address specified in the agreement a notice of cancellation and the full amount of disbursed funds in the form of the funder's uncashed check or a registered or certified check or money order.

Added by Laws 2013, c. 386, § 6, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-706 to avoid a duplication in numbering.

§14A-3-807. Disclosures.

DISCLOSURES.

A. A consumer litigation funding agreement shall contain the disclosures required by this section. The disclosures shall be clear and conspicuous and in at least twelve-point bold type, except as provided by subsection F of this section.

B. On the front page of the agreement under appropriate headings, the agreement shall disclose:

1. The funded amount to be paid to the consumer by the consumer litigation funder;

2. An itemization of one-time charges;

3. The total amount to be assigned by the consumer to the funder, including the funded amount and all charges; and

4. A payment schedule that:

- a. includes the funded amount and charges, and

- b. lists all dates and the amount due at the end of each one-hundred-eighty-day period from the funding date until the due date of the maximum amount due to the funder by the consumer to satisfy the amount owed under the agreement.

C. Pursuant to the requirements set forth in this act, the agreement shall contain the following statement: "CONSUMER'S RIGHT TO CANCELLATION: You may cancel this agreement without penalty or further obligation within five business days after the funding date if you either:

1. Return to the consumer litigation funder the full amount of the disbursed funds by delivering the funder's uncashed check to the funder's office in person; or

2. Send, by insured, certified, or registered United States mail, to the funder at the address specified in the agreement, a

notice of cancellation and include in the mailing a return of the full amount of disbursed funds in the form of the funder's uncashed check or a registered or certified check or money order."

D. The agreement shall disclose that:

1. The consumer litigation funder may not participate in deciding whether, when, or the amount for which a legal claim is settled;

2. The funder may not interfere with the independent professional judgment of the attorney handling the legal claim or any settlement of the legal claim; and

3. The consumer shall notify the funder of the settlement or adjudication of the legal claim before the resolution date.

E. The agreement shall contain in all capital letters the following text within a box: "THE FUNDED AMOUNT AND AGREED TO CHARGES SHALL BE PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM, AND SHALL BE PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE PROCEEDS FROM YOUR LEGAL CLAIM. YOU WILL NOT OWE (INSERT NAME OF THE CONSUMER LITIGATION FUNDER) ANYTHING IF THERE ARE NO PROCEEDS FROM YOUR LEGAL CLAIM, UNLESS YOU HAVE VIOLATED ANY MATERIAL TERM OF THIS AGREEMENT OR YOU HAVE COMMITTED FRAUD AGAINST THE CONSUMER LITIGATION FUNDER."

F. Immediately above the line for the consumer's signature, the agreement shall contain the following disclosure in twelve-point type: "Do not sign this agreement before you read it completely or if it contains any blank spaces. You are entitled to a completed copy of the agreement. Before you sign this agreement, you should obtain the advice of an attorney. Depending on the circumstances, you may want to consult a tax, public or private benefits planning, or financial professional.

Added by Laws 2013, c. 386, § 7, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-707 to avoid a duplication in numbering.

§14A-3-808. Repealed by Laws 2014, c. 252, § 2, eff. July 1, 2014.

§14A-3-809. License required - Application.

LICENSE REQUIRED; APPLICATION.

A. A consumer litigation funder shall obtain a license from the Administrator before engaging in an activity in this state that shall be performed under a consumer litigation funding agreement that complies with this act.

B. A consumer litigation funder shall file a licensing application in the form and manner prescribed by the Administrator. The application shall:

1. Contain all information the Administrator requires to evaluate the character and fitness of the applicant, and if the

applicant is an entity, the character and fitness of each officer and director of the applicant funder; and

2. Be accompanied by a fee of Two Hundred Ninety Dollars (\$290.00).

C. Nothing in this section shall prohibit a company doing business as a consumer litigation funder in this state on the effective date of this act from continuing to do so during the time period in which the initial licensure application is being processed by the Administrator, and until such time as the application is approved or denied.

Added by Laws 2013, c. 386, § 9, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-709 to avoid a duplication in numbering.

§14A-3-810. Bond - Letter of credit.

BOND; LETTER OF CREDIT.

A. The Administrator may require an applicant or license holder to file a bond with the application in an amount not to exceed Fifty Thousand Dollars (\$50,000.00).

B. The bond terms shall run concurrent with the licensing period. The bond shall provide that the license holder will, during the licensing period:

1. Faithfully conform to and abide by:

a. the requirements of this act, and

b. the rules adopted by the Administrator to administer this act; and

2. Provide any amount that may become due or owing to the state from the license holder under this act.

C. In lieu of the bond, the applicant or license holder, at the applicant's or license holder's option, may post an irrevocable letter of credit.

Added by Laws 2013, c. 386, § 10, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-710 to avoid a duplication in numbering.

§14A-3-811. Issuance of license.

ISSUANCE OF LICENSE.

The Administrator may not issue a license under this act unless the Administrator, following an investigation, determines that the character and fitness of the applicant or of the applicant funder's officers and directors warrant belief that the business will be operated honestly and fairly in accordance with this act.

Added by Laws 2013, c. 386, § 11, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-711 to avoid a duplication in numbering.

§14A-3-812. Hearing.

HEARING.

A. On written request, the Administrator shall set a hearing before an independent hearing examiner to determine an applicant's qualifications for licensure if:

1. The Administrator has notified the applicant in writing of the denial of the application; or
2. The Administrator has not issued a license not later than the 60th day after the date the applicant filed the application.

B. An applicant may not request a hearing under this section after the 16th day after the date the Administrator sends written notice to the applicant that the application has been denied and stating the reasons for the denial.

Added by Laws 2013, c. 386, § 12, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-712 to avoid a duplication in numbering.

§14A-3-813. Renewal of license.

RENEWAL OF LICENSE.

A consumer litigation funder shall renew its license on December 1 every two (2) years by paying a renewal fee as determined by the Administrator.

Added by Laws 2013, c. 386, § 13, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-713 to avoid a duplication in numbering.

§14A-3-814. Prohibited activities or conduct.

PROHIBITED ACTIVITIES OR CONDUCT.

A consumer litigation funder may not:

1. Pay or offer to pay a commission, referral fee, or other form of consideration to an attorney, law firm, medical provider, chiropractor, or physical therapist or an employee of such a person for referring a consumer to the funder;
2. Accept any commission, referral fee, rebate, or other form of consideration from an attorney, law firm, medical provider, chiropractor, or physical therapist or an employee of such a person;
3. Intentionally advertise materially false or misleading information about the funder's products or services;
4. Refer, to further an initial legal funding, a customer or potential customer to a specific attorney, law firm, medical provider, chiropractor, or physical therapist or an employee of such a person, except that the funder may refer a customer or potential customer who needs legal representation to a local or state bar association referral service;
5. Fail to promptly supply a copy of the executed agreement to the consumer's attorney;
6. Knowingly provide funding to a consumer who has previously assigned or sold a portion of the consumer's right to proceeds from

the consumer's legal claim without first paying to or purchasing from a previously unsatisfied consumer litigation funder that funder's entire funded amount and charges due under that funder's applicable agreement, unless:

- a. a lesser amount is otherwise agreed to in writing by the consumer litigation funders, or
- b. multiple funders have agreed to concurrently provide funding to a consumer, if the consumer consents to the arrangement in writing;

7. Make a decision relating to the conduct, settlement, or resolution of the underlying legal claim, the power of which shall remain solely with the consumer and the attorney handling the legal claim; or

8. Knowingly pay or offer to pay, using funds from the litigation funding transaction, court costs, filing fees, or attorneys' fees during or after the resolution of the legal claim. Added by Laws 2013, c. 386, § 14, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-714 to avoid a duplication in numbering.

§14A-3-815. Violation of act.

VIOLATION OF ACT.

A. If a court finds that a consumer litigation funder has not been properly licensed pursuant to the Uniform Consumer Credit Code or has intentionally violated Sections 3-801 through 3-817 of the Uniform Consumer Credit Code with respect to a litigation funding transaction, the funder is entitled to recover the funded amount provided to the consumer and may not receive any additional charges.

B. In addition to any other applicable investigative and enforcement provisions of the Uniform Consumer Credit Code, the Administrator may, after notice and hearing, impose an administrative fine not to exceed Five Thousand Dollars (\$5,000.00) against a consumer litigation funder who knowingly and willfully violates or causes a violation of Sections 3-801 through 3-817 of the Uniform Consumer Credit Code regarding consumer litigation funding or a rule adopted thereto.

Added by Laws 2013, c. 386, § 15, eff. Nov. 1, 2013. Amended by Laws 2014, c. 252, § 1, eff. July 1, 2014.

NOTE: Editorially renumbered from Title 14A, § 3-715 to avoid a duplication in numbering.

§14A-3-816. Implementation.

As soon as practicable after the effective date of this act, but not later than July 1, 2014, the Commission on Consumer Credit shall adopt the rules and procedures necessary to implement this act.

Added by Laws 2013, c. 386, § 16, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-716 to avoid a duplication in numbering.

§14A-3-817. Application of act.

The changes in law made by this act apply only to a consumer litigation funding agreement entered into on or after the effective date of this act. A consumer litigation funding agreement entered into before the effective date of this act is governed by the law in effect on the date the agreement was entered into, and the former law is continued in effect for that purpose. Nothing in this act shall in any way affect or invalidate any consumer litigation funding agreement previously effectuated prior to the effective date of this act.

Added by Laws 2013, c. 386, § 17, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from Title 14A, § 3-717 to avoid a duplication in numbering.

§14A-4-101. Short title.

This article shall be known and may be cited as Uniform Consumer Credit Code - Insurance.

Added by Laws 1969, c. 352, § 4-101, eff. July 1, 1969.

§14A-4-102. Scope - Applicability to parties.

(1) Except as provided in subsection (2), this article applies to insurance provided or to be provided in relation to a consumer credit sale (Section 2-104), a consumer lease (Section 2-106), or a consumer loan (Section 3-104).

(2) The provision on cancellation by a creditor (Section 4-304) applies to loans the primary purpose of which is the financing of insurance. No other provision of this article applies to insurance so financed.

(3) Joint life insurance coverage and joint accident and health insurance coverage for debtors with their comakers, endorsers and guarantors shall be permissible under this article; provided, not more than two persons shall be so insured in connection with the same indebtedness.

Added by Laws 1969, c. 352, § 4-102, eff. July 1, 1969. Amended by Laws 1995, c. 104, § 1, eff. Nov. 1, 1995.

§14A-4-103. Definition: "Consumer credit insurance".

As used in the Uniform Consumer Credit Code, "consumer credit insurance" means insurance, other than insurance on property as provided for in Section 4-301 of this title, by which the satisfaction of debt in whole or in part is a benefit provided, but does not include:

- (a) insurance provided in relation to a credit transaction in which a payment is scheduled more than fifteen (15) years after the extension of credit; or
- (b) insurance issued as an isolated transaction of the insurer not related to an agreement or plan for insuring debtors of the creditor; or
- (c) insurance indemnifying the creditor against loss due to the debtor's default.

Added by Laws 1969, c. 352, § 4-103, eff. July 1, 1969. Amended by Laws 1984, c. 41, § 1, eff. Nov. 1, 1984.

§14A-4-104. Creditor's provision of and charge for insurance - Excess amount of charge.

(1) Except as otherwise provided in this article and subject to the provisions on additional charges (Section 2-202 and Section 3-202) and maximum charges (Part 2 of Article 2 and Article 3), a creditor may agree to provide insurance, and may contract for and receive a charge for insurance separate from and in addition to other charges. A creditor need not make a separate charge for insurance provided or required by him. This act does not authorize the issuance of any insurance prohibited under any statute, or rule thereunder, governing the business of insurance.

(2) The excess amount of a charge for insurance provided for in agreements in violation of this article is an excess charge for the purposes of the provisions of the article on remedies and penalties (Article 5) as to effect of violations on rights of parties (Section 5-202) and of the provisions of the article on administration (Article 6) as to civil actions by the Administrator (Section 6-113).

Added by Laws 1969, c. 352, § 4-104, eff. July 1, 1969.

§14A-4-105. Conditions applying to insurance to be provided by creditor.

If a creditor agrees with a debtor to provide insurance

(1) the insurance shall be evidenced by an individual policy or certificate of insurance delivered to the debtor, or sent to him at his address as stated by him, within thirty (30) days after the term of the insurance commences under the agreement between the creditor and debtor; or

(2) the creditor shall promptly notify the debtor of any failure or delay in providing the insurance.

Added by Laws 1969, c. 352, § 4-105, eff. July 1, 1969.

§14A-4-106. Unconscionability.

(1) In applying the provisions of the act on unconscionability (Sections 5-108 and 6-111) to a separate charge for insurance, consideration shall be given, among other factors, to

- (a) potential benefits to the debtor including the satisfaction of his obligations;
- (b) the creditor's need for the protection provided by the insurance; and
- (c) the relation between the amount and terms of credit granted and the insurance benefits provided.

(2) If consumer credit insurance otherwise complies with this article and other applicable law, neither the amount nor the term of the insurance nor the amount of a charge therefor is in itself unconscionable.

Added by Laws 1969, c. 352, § 4-106, eff. July 1, 1969.

§14A-4-107. Maximum charge by creditor for insurance.

(1) Except as provided in subsection (2), if a creditor contracts for or receives a separate charge for insurance, the amount charged to the debtor for the insurance may not exceed the premium to be charged by the insurer, as computed at the time the charge to the debtor is determined, conforming to any rate filings required by law and made by the insurer with the Insurance Department.

(2) A creditor who provides consumer credit insurance in relation to a revolving charge account (Section 2-108) or revolving loan account (Section 3-108) may calculate the charge to the debtor in each billing cycle by applying the current premium rate to

- (a) the average daily unpaid balance of the debt in the cycle;
- (b) the unpaid balance of the debt or a median amount within a specified range of unpaid balances of debt on approximately the same day of the cycle. The day of the cycle need not be the day used in calculating the credit service charge (Section 2-207) or loan finance charge (Section 3-201 and Section 3-508A), but the specified range shall be the range used for that purpose; or
- (c) the unpaid balances of principal calculated according to the actuarial method.

Added by Laws 1969, c. 352, § 4-107, eff. July 1, 1969.

§14A-4-108. Refund or credit required - Amount.

(1) Upon prepayment in full of a consumer credit sale or consumer loan by the proceeds of consumer credit insurance, the debtor or his estate is entitled to a refund of any portion of a separate charge for insurance which by reason of prepayment is retained by the creditor or returned to him by the insurer unless the charge was computed from time to time on the basis of the balances of the debtor's account. Payment by the insurer of the

coverage in force at the time the death claim arises includes premiums charged for the coverage.

(2) This article does not require a creditor to grant a refund or credit to the debtor if all refunds and credits due to the debtor under this article amount to less than One Dollar (\$1.00), and except as provided in subsection (1) does not require the creditor to account to the debtor for any portion of a separate charge for insurance because

- (a) the insurance is terminated by performance of the insurer's obligation;
- (b) the creditor pays or accounts for premiums to the insurer in amounts and at times determined by the agreement between them;
- (c) the creditor receives directly or indirectly under any policy of insurance a gain or advantage not prohibited by law; or
- (d) the debtor has voluntarily signed an authorization to continue his coverage in force.

(3) Except as provided in subsection (2), the creditor shall promptly make or cause to be made an appropriate refund or credit to the debtor with respect to any separate charge made to him for insurance if

- (a) the insurance is not provided or is provided for a shorter term than that for which the charge to the debtor for insurance was computed; or
- (b) the insurance terminates prior to the end of the term for which it was written because of prepayment in full or otherwise.

(4) A refund or credit required by subsection (3) is appropriate as to amount if it is computed according to a method prescribed or approved by the Insurance Department or a formula filed by the insurer with the Insurance Department at least thirty (30) days before the debtor's right to a refund or credit becomes determinable, unless the method or formula is employed after the Insurance Department notifies the insurer that it is disapproved. Added by Laws 1969, c. 352, § 4-108, eff. July 1, 1969.

§14A-4-109. Existing insurance - Choice of insurer.

If a creditor requires insurance, upon notice to the creditor the debtor shall have the option of providing the required insurance through an existing policy of insurance owned or controlled by the debtor, or through a policy to be obtained and paid for by the debtor, but the creditor may for reasonable cause decline the insurance provided by the debtor.

Added by Laws 1969, c. 352, § 4-109, eff. July 1, 1969.

§14A-4-110. Charge for insurance in connection with a deferral, refinancing, or consolidation - Duplicate charges.

(1) A creditor may not contract for or receive a separate charge for insurance in connection with a deferral (Section 2-204 or Section 3-204), a refinancing (Section 2-205 or Section 3-205), or a consolidation (Section 2-206 or Section 3-206), unless

- (a) the debtor agrees at or before the time of the deferral, refinancing, or consolidation that the charge may be made;
- (b) the debtor is or is to be provided with insurance for an amount or a term, or insurance of a kind, in addition to that to which he would have been entitled had there been no deferral, refinancing, or consolidation;
- (c) the debtor receives a refund or credit on account of any unexpired term of existing insurance in the amount that would be required if the insurance were terminated (Section 4-108); and
- (d) the charge does not exceed the amount permitted by this article (Section 4-107).

(2) A creditor may not contract for or receive a separate charge for insurance which duplicates insurance with respect to which the creditor has previously contracted for or received a separate charge.

Added by Laws 1969, c. 352, § 4-110, eff. July 1, 1969.

§14A-4-111. Cooperation between Administrator and Insurance Department.

The Administrator and the Insurance Department are authorized and directed to consult and assist one another in maintaining compliance with this article. They may jointly pursue investigations, prosecute suits, and take other official action, as may seem to them appropriate, if either of them is otherwise empowered to take the action. If the Administrator is informed of a violation or suspected violation by an insurer of this article, or of the insurance laws, rules, and regulations of this state, he shall advise the Insurance Department of the circumstances.

Added by Laws 1969, c. 352, § 4-111, eff. July 1, 1969.

§14A-4-112. Administrative action of Insurance Department.

(1) To the extent that its responsibility under this article requires, the Insurance Department shall cause to be issued rules with respect to insurers, and with respect to refunds (Section 4-108), forms, schedules of premium rates and charges (Section 4-203) and its approval or disapproval thereof and, in case of violation, may make an order for compliance.

(2) The general act of this state governing administrative procedures (Title 75, Oklahoma Statutes, Chapters 7 and 8) applies to and governs all administrative action taken by the Insurance Department pursuant to this section.

Added by Laws 1969, c. 352, § 4-112, eff. July 1, 1969.

§14A-4-113. Sale of insurance product in conjunction with subsection 10 mortgage - Conditions - Disclosure.

A creditor shall not sell any individual or group credit life, accident and health or unemployment insurance product on a prepaid single premium basis in conjunction with a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of Title 14A of the Oklahoma Statutes unless the following conditions are met:

- (a) if a creditor offers any individual or group credit life, accident and health or unemployment insurance product purchased on a prepaid single premium basis in conjunction with a subsection 10 mortgage, the creditor shall offer the obligor the option of purchasing all such insurance on a monthly premium basis, if such option is available;
- (b) a creditor shall not sell credit life, accident and health or unemployment insurance products in conjunction with a subsection 10 mortgage other than where the insurance premiums are calculated, earned and paid on a monthly or other regular, periodic basis without providing a separate disclosure with a copy acknowledged by the obligor no later than the time of closing in a form substantially similar to the following:

"Insurance Notice To Obligor

You have elected to buy credit life, accident and health and/or unemployment insurance in conjunction with this mortgage loan. The cost of this insurance is being prepaid, and it is being financed at the interest rate provided for in the loan. This insurance is not required as a condition of closing this loan, and it has been included with the loan at your request.

You have the right at any time to cancel any or all such policies purchased in conjunction with this loan. You may cancel your policy or policies by signing and returning a copy of this notice to your creditor or you may contact your creditor directly.

If you cancel your insurance within thirty (30) days of the date of your loan, then you will receive either a full refund or a credit against your loan account. If you cancel your insurance at any other time, you

will receive either a refund or credit against your loan account of any unearned premium. You must cancel within thirty (30) days of the date of the loan to receive a full refund.

Credit Insurance Cancellation

I (we) request that the creditor cancel the _____ insurance that I (we) purchased in conjunction with my (our) mortgage loan dated _____

Today's Date

Borrower"

- (c) this subsection shall not apply to credit life, accident and health or unemployment insurance sold by the creditor for which the obligor chooses the beneficiary and it is someone other than the creditor.

Added by Laws 2003, c. 330, § 12, eff. Jan. 1, 2004.

§14A-4-201. Term of insurance.

(1) Consumer credit insurance provided by a creditor may be subject to the furnishing of evidence of insurability satisfactory to the insurer. Whether or not such evidence is required, the term of the insurance shall commence no later than when the debtor becomes obligated to the creditor or when the debtor applies for the insurance, whichever is later, except as follows:

- (a) if any required evidence of insurability is not furnished until more than thirty (30) days after the term would otherwise commence, the term may commence on the date when the insurer determines the evidence to be satisfactory; or
- (b) if the creditor provides insurance not previously provided covering debts previously created, the term may commence on the effective date of the policy.

(2) The originally scheduled term of the insurance shall extend at least until the due date of the last scheduled payment of the debt except as follows:

- (a) if the insurance relates to a revolving charge account or revolving loan account, the term need extend only until the payment of the debt under the account and may be sooner terminated after at least thirty (30) days' notice to the debtor; or
- (b) if the debtor is advised in writing that the insurance will be written for a specified shorter time, the term need extend only until the end of the specified time.

(3) The term of the insurance shall not extend more than fifteen (15) days after the originally scheduled due date of the last scheduled payment of the debt unless it is extended without

additional cost to the debtor or as an incident to a deferral, refinancing, or consolidation.

Added by Laws 1969, c. 352, § 4-201, eff. July 1, 1969.

§14A-4-202. Amount of insurance.

(1) Except as provided in subsection (2)

- (a) in the case of consumer credit insurance providing life coverage, the amount of insurance may not initially exceed the debt; or
- (b) in the case of any other consumer credit insurance, the total amount of periodic benefits payable may not exceed the total of scheduled unpaid installments of the debt, and the amount of any periodic benefit may not exceed the original amount of debt divided by the number of periodic installments in which it is payable.

(2) If consumer credit insurance is provided in connection with a revolving charge account or revolving loan account, the amounts payable as insurance benefits may be reasonably commensurate with the amount of debt as it exists from time to time. If consumer credit insurance is provided in connection with a commitment to grant credit in the future, the amounts payable as insurance benefits may be reasonably commensurate with the total from time to time of the amount of debt and the amount of the commitment. If the debt or the commitment is primarily for an agricultural purpose, and there is no regular schedule of payments, the amounts payable as insurance benefits may equal the total of the initial amount of debt and the amount of the commitment.

Added by Laws 1969, c. 352, § 4-202, eff. July 1, 1969.

§14A-4-203. Filing and approval of rates and forms.

(1) A creditor may not use a form, or a schedule of premium rates or charges for consumer credit insurance, the filing of which is required by this section, if the Insurance Department has disapproved the form or schedule and has notified the insurer of its disapproval. A creditor may not use a form or schedule unless

- (a) the form or schedule has been on file with the Insurance Department for thirty (30) days, or has earlier been approved by it; and
- (b) the insurer has complied with this section with respect to the insurance.

(2) Except as provided in subsection (3), all policies, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements and riders relating to consumer credit insurance delivered or issued for delivery in this State, and the schedules of premium rates or charges pertaining thereto, shall be filed by the insurer with the Insurance

Department. It shall, within thirty (30) days after the filing of any form or schedule, disapprove it if the premium rates or charges are unreasonable in relation to the benefits provided under the form, or if the form contains provisions which are unjust, unfair, inequitable, or deceptive or encourage misrepresentation of the coverage or are contrary to any provision of the Oklahoma Insurance Code or of any rule or regulation promulgated thereunder.

(3) If a group policy has been delivered in another state, the forms to be filed by the insurer with the Insurance Department are the group certificates and notices of proposed insurance. It shall approve them if

- (a) they provide the information that would be required if the group policy were delivered in this state; and
- (b) the applicable premium rates or charges do not exceed those established by its rules or regulations.

Added by Laws 1969, c. 352, § 4-203, eff. July 1, 1969.

§14A-4-301. Property insurance.

(1) A creditor may not contract for or receive a separate charge for insurance against loss of or damage to property unless:

- (a) the insurance covers a substantial risk of loss of or damage to property related to the credit transaction;
- (b) the amount, terms, and conditions of the insurance are reasonable in relation to the character and value of the property insured or to be insured; and
- (c) the term of the insurance is reasonable in relation to the terms of credit.

(2) The term of insurance is reasonable if it is customary and does not extend substantially beyond a scheduled maturity.

Added by Laws 1969, c. 352, § 4-301, eff. July 1, 1969. Amended by Laws 1988, c. 8, § 1, emerg. eff. March 14, 1988.

§14A-4-302. Insurance on creditor's interest only.

If a creditor contracts for or receives a separate charge for insurance against loss of or damage to property, the risk of loss or damage not willfully caused by the debtor is on the debtor only to the extent of any deficiency in the effective coverage of the insurance, even though the insurance covers only the interest of the creditor.

Laws 1969, c. 352, § 4-302.

§14A-4-303. Liability insurance.

A creditor may not contract for or receive a separate charge for insurance against liability unless the insurance covers a substantial risk of liability arising out of the ownership or use of property related to the credit transaction.

Added by Laws 1969, c. 352, § 4-303, eff. July 1, 1969.

§14A-4-304. Cancellation by creditor.

A creditor shall not request cancellation of a policy of property or liability insurance except after the debtor's default or in accordance with a written authorization by the debtor, and in either case the cancellation does not take effect until written notice is delivered to the debtor or mailed to him at his address as stated by him. The notice shall state that the policy may be cancelled in accordance with the terms and conditions of the policy. Added by Laws 1969, c. 352, § 4-304, eff. July 1, 1969.

§14A-5-101. Short title.

This article shall be known and may be cited as Uniform Consumer Credit Code - Remedies and Penalties. Added by Laws 1969, c. 352, § 5-101, eff. July 1, 1969.

§14A-5-102. Scope.

This part applies to actions or other proceedings to enforce rights arising from consumer credit sales, consumer leases and consumer loans; and, in addition, to extortionate extensions of credit (Section 5-107). Added by Laws 1969, c. 352, § 5-102, eff. July 1, 1969.

§14A-5-103. Restrictions on deficiency judgments in consumer credit sales.

(1) This section applies to a consumer credit sale of goods or services.

(2) If the seller repossesses or voluntarily accepts surrender of goods which were the subject of the sale and in which he has a security interest and the cash price of the goods repossessed or surrendered was One Thousand Dollars (\$1,000.00) or less, the buyer is not personally liable to the seller for the unpaid balance of the debt arising from the sale of the goods, and the seller is not obligated to resell the collateral.

(3) If the seller repossesses or voluntarily accepts surrender of goods which were not the subject of the sale but in which he has a security interest to secure a debt arising from a sale of goods or services or a combined sale of goods and services and the cash price of the sale was One Thousand Dollars (\$1,000.00) or less, the buyer is not personally liable to the seller for the unpaid balance of the debt arising from the sale.

(4) For the purpose of determining the unpaid balance of consolidated debts or debts pursuant to revolving charge accounts, the allocation of payments to a debt shall be determined in the same manner as provided for determining the amount of debt secured by various security interests (Section 2-409).

(5) The buyer shall be liable in damages to the seller if the buyer has wrongfully damaged the collateral or if, after default and demand, the buyer has wrongfully failed to make the collateral available to the seller.

(6) If the seller elects to bring an action against the buyer for a debt arising from a consumer credit sale of goods or services, when under this section he would not be entitled to a deficiency judgment if he repossessed the collateral, and obtains judgment

- (a) he may not repossess the collateral; and
- (b) the collateral is not subject to levy or sale on execution or similar proceedings pursuant to the judgment.

(7) The amount of One Thousand Dollars (\$1,000.00) in subsections (2) and (3) of this section is subject to adjustment pursuant to the provisions on adjustment of dollar amounts (Section 1-106).

Added by Laws 1969, c. 352, § 5-103, eff. July 1, 1969. Amended by Laws 1979, c. 109, § 2, emerg. eff. April 25, 1979.

§14A-5-104. No garnishment before judgment.

Prior to entry of judgment in an action against the debtor for debt arising from a consumer credit sale, a consumer lease, or a consumer loan, the creditor may not attach unpaid earnings of the debtor by garnishment or like proceedings.

Added by Laws 1969, c. 352, § 5-104, eff. July 1, 1969.

§14A-5-105. Limitation on garnishment.

(1) For the purpose of this part

- (a) "disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld; and
- (b) "garnishment" means any legal or equitable procedure through which the earnings of an individual are required to be withheld for payment of a debt.

(2) The maximum part of the aggregate disposable earnings of an individual for any workweek which is subjected to garnishment to enforce payment of a judgment arising from a consumer credit sale, consumer lease, or consumer loan may not exceed the lesser of

- (a) twenty-five percent (25%) of his disposable earnings for that week; or
- (b) the amount by which his disposable earnings for that week exceed thirty times the federal minimum hourly wage prescribed by Section 6(a) (1) of the Fair Labor Standards Act of 1938, U.S.C. Title 29, Section 206(a) (1), in effect at the time the earnings are payable.

(c) in the case of earnings for a pay period other than a week, the Administrator shall by rule prescribe a multiple of the federal minimum hourly wage equivalent in effect to that set forth in paragraph (b).

(3) No court may make, execute, or enforce an order or process in violation of this section.

Added by Laws 1969, c. 352, § 5-105, eff. July 1, 1969.

§14A-5-106. No discharge from employment for garnishment.

No employer shall discharge an employee for the reason that a creditor of the employee has subjected or attempted to subject unpaid earnings of the employee to garnishment or like proceedings directed to the employer for the purpose of paying a judgment arising from a consumer credit sale, consumer lease, or consumer loan, unless the employer shall be served with garnishment or like process issued to collect one or more judgments against the employee on more than two occasions within one year.

Added by Laws 1969, c. 352, § 5-106, eff. July 1, 1969.

§14A-5-107. Extortionate extensions of credit.

(1) If it is the understanding of the creditor and the debtor at the time an extension of credit is made that delay in making repayment or failure to make repayment could result in the use of violence or other criminal means to cause harm to the person, reputation, or property of any person, the repayment of the extension of credit is unenforceable through civil judicial processes against the debtor.

(2) If it is shown that an extension of credit was made at an annual rate exceeding forty-five percent (45%) calculated according to the actuarial method and that the creditor then had a reputation for the use or threat of use of violence or other criminal means to cause harm to the person, reputation, or property of any person to collect extensions of credit or to punish the nonrepayment thereof, there is prima facie evidence that the extension of credit was unenforceable under subsection (1), unless such rate was otherwise lawful under any provision or provisions of this act.

Added by Laws 1969, c. 352, § 5-107, eff. July 1, 1969.

§14A-5-108. Unconscionability.

(1) With respect to a consumer credit sale, consumer lease, or consumer loan, if the court as a matter of law finds the agreement or any clause of the agreement to have been unconscionable at the time it was made the court may refuse to enforce the agreement, or it may enforce the remainder of the agreement without the unconscionable clause, or it may so limit the application of any unconscionable clause as to avoid any unconscionable result.

(2) If it is claimed or appears to the court that the agreement or any clause thereof may be unconscionable the parties shall be afforded a reasonable opportunity to present evidence as to its setting, purpose, and effect to aid the court in making the determination.

(3) For the purposes of this section, a charge or practice expressly permitted by this act is not in itself unconscionable. Added by Laws 1969, c. 352, § 5-108, eff. July 1, 1969.

§14A-5-201. Consumer credit sales and consumer loans.

For purposes of the provisions of this part on civil liability for violation of disclosure provisions (Section 5-203) and on debtor's right to rescind certain transactions (Section 5-204), consumer credit sale and consumer loan include the transactions covered in Sections 2-301 and 3-301.

Added by Laws 1969, c. 352, § 5-201, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 51, operative Oct. 1, 1982.

§14A-5-202. Effect of violations on rights of parties.

(1) If a creditor has violated the provisions of this act applying to certain negotiable instruments (Section 2-403 of this title), or limitations on the schedule of payments or loan term for supervised loans (Section 3-512 of this title), the debtor is not obligated to pay the credit service charge or loan finance charge and has a right to recover from the person violating this act or from an assignee of that person's rights who undertakes direct collection of payments or enforcement of rights arising from the debt a penalty in an amount determined by the court not in excess of three times the amount of the credit service charge or loan finance charge. No action pursuant to this subsection may be brought more than one (1) year after the due date of the last scheduled payment of the agreement with respect to which the violation occurred.

(2) If a creditor has violated the provisions of this act applying to authority to make supervised loans (Section 3-502 of this title), the loan is void and the debtor is not obligated to pay either the principal or loan finance charge. If he has paid any part of the principal or of the loan finance charge, he has a right to recover the payment from the person violating this act or from an assignee of that person's rights who undertakes direct collection of payments or enforcement of rights arising from the debt. With respect to violations arising from loans made pursuant to revolving loan accounts, no action pursuant to this subsection may be brought more than two (2) years after the violation occurred. With respect to violations arising from other loans, no action pursuant to this subsection may be brought more than one (1) year after the due date of the last scheduled payment of the agreement pursuant to which the charge was paid.

(3) Any creditor or servicer who fails to comply with any requirement for subsection 10 mortgages under Section 10 of this act, with respect to any person is liable to that person in an amount equal to the sum of all finance charges and fees paid by the consumer, unless the creditor demonstrates that the failure to comply is not material. No action pursuant to this subsection may be brought more than one (1) year after the due date of the last scheduled payment of the agreement with respect to which the violation occurred.

(4) A debtor is not obligated to pay a charge in excess of that allowed by this act, and if the debtor has paid an excess charge the debtor has a right to a refund. A refund may be made by reducing the debtor's obligation by the amount of the excess charge. If the debtor has paid an amount in excess of the lawful obligation under the agreement, the debtor may recover the excess amount from the person who made the excess charge or from an assignee of that person's rights who undertakes direct collection of payments from or enforcement of rights against debtors arising from the debt.

(5) If a debtor is entitled to a refund and a person liable to the debtor refuses to make a refund within a reasonable time after demand, the debtor may recover from that person a penalty in an amount determined by a court not exceeding the greater of either the amount of the credit service or loan finance charge or ten times the amount of the excess charge. If the creditor has made an excess charge in deliberate violation of or in reckless disregard for this act, the penalty may be recovered even though the creditor has refunded the excess charge. No penalty pursuant to this subsection may be recovered if a court has ordered a similar penalty assessed against the same person in a civil action by the Administrator (Section 6-113 of this title). With respect to excess charges arising from sales made pursuant to revolving charge accounts or from loans made pursuant to revolving loan accounts, no action pursuant to this subsection may be brought more than two (2) years after the time the excess charge was made. With respect to excess charges arising from other consumer credit sales or consumer loans, no action pursuant to this subsection may be brought more than one (1) year after the due date of the last scheduled payment of the agreement pursuant to which the charge was made.

(6) Except as otherwise provided, no violation of this act impairs rights on a debt.

(7) If an employer discharges an employee in violation of the provisions prohibiting discharge (Section 5-106 of this title), the employee may within thirty (30) days bring a civil action for recovery of wages lost as a result of the violation and for an order requiring the reinstatement of the employee. Damages recoverable shall not exceed lost wages for six (6) weeks.

(8) If the creditor establishes by a preponderance of evidence that a violation is unintentional or the result of a bona fide error no liability is imposed under subsections (1), (2) and (5) of this section and the validity of the transaction is not affected.

(9) In any case in which it is found that a creditor has violated this act, the court may award reasonable attorney fees incurred by the debtor.

Added by Laws 1969, c. 352, § 5-202, eff. July 1, 1969. Amended by Laws 2003, c. 330, § 13, eff. Jan. 1, 2004.

§14A-5-203. Civil liability for violation of disclosure provisions.

(1) Except as otherwise provided in this section, any creditor who fails to comply with any requirement imposed by the provisions on disclosure (Part 3), other than the provisions on advertising pursuant to Sections 2-313 of Article 2 of this title and 3-312 of Article 3 of this title, or with any requirement imposed by the provision on the right to rescind pursuant to Section 5-204 of this title, with respect to any person is liable to that person in an amount equal to the sum of:

(a) any actual damage sustained by that person as a result of the failure;

(b) (i) (aa) in the case of an individual action twice the amount of the credit service or loan finance charge in connection with the transaction,

(bb) in the case of an individual action relating to a consumer lease twenty-five percent (25%) of the total amount of monthly payments under the lease but the liability pursuant to this division shall be not less than One Hundred Dollars (\$100.00) nor more than One Thousand Dollars (\$1,000.00),

(cc) in the case of an individual action relating to a credit transaction not under an open-end credit plan that is secured by real property or a dwelling, not less than Four Hundred Dollars (\$400.00) or greater than Four Thousand Dollars (\$4,000.00), or

(dd) in the case of an individual action relating to an open-end consumer credit plan that is not secured by real property or a dwelling, twice the amount of any finance charge in connection with the transaction, with a minimum of Five Hundred Dollars (\$500.00) and a maximum of Five Thousand Dollars (\$5,000.00), or such higher amount as may be

- appropriate in the case of an established pattern or practice of such failures; or
- (ii) in the case of a class action, an amount the court may allow, except that as to each member of the class no minimum recovery shall be applicable and the total recovery other than for actual damages in any class action or series of class actions arising out of the same failure to comply by the same creditor shall not be more than the lesser of Five Hundred Thousand Dollars (\$500,000.00) or one percent (1%) of the net worth of the creditor;
 - (c) in the case of a successful action to enforce the liability under paragraph (b) of this subsection or in any action in which a person is determined to have a right of rescission under Section 11 of this act and Section 5-204 of this title, the costs of the action together with reasonable attorney fees as determined by the court. In determining the amount of award in any class action, the court shall consider among other relevant factors the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional. In connection with the disclosures required by Sections 2-310 and 3-309 of this title, a creditor shall have a liability determined under paragraph (b) of this subsection only for failing to comply with the requirements of Section 5-204 of this title, subsection (1) of Section 2-310 and subsection (1) of Section 3-309 of this title, paragraphs (d) through (k) of subsection (2) of Section 2-310 of this title, and paragraphs (d) through (m) of subsection (2) and subsections (3) and (4) of Section 3-309 of this title. In connection with the disclosures referred to in subsections (1) through (7) of Sections 2-310.1 and 3-309.1 of this title, a card issuer shall have a liability under this section only to a cardholder who pays a fee described in paragraph (d) of subsection (1) or subparagraph (i) of paragraph (a) of subsection (5) of Section 2-310.1, or paragraph (d) of subsection (1) or subparagraph (i) of paragraph (a) of subsection (5) of Section 3-309.1 of this title or who uses the credit card or charge card. In connection with disclosures for closed-end credit, a creditor shall have a liability determined

under paragraph (b) of this subsection only for failing to comply with the requirements of Section 5-204 of this title, paragraphs (b) insofar as it requires a disclosure of the amount financed, through (f) and paragraph (j) of subsection (2) of Section 2-306 of this title, and paragraphs (b) insofar as it requires a disclosure of the amount financed, through (f) and paragraph (h) of subsection (2) of Section 3-306 of this title, subsections (2) and (3) of Section 3-310 of this title, and paragraph (a), (b), (d), (f), or (j) of subsection (2) of Section 11 of this act (for purposes of subsection (2) or (4), paragraph (c) of subsection (4) and subsection (6), (7), or (8) of Section 11 of this act). With respect to any failure to make disclosure, liability shall be imposed only upon the creditor required to make disclosure, except as provided in subsection (3) of Section 2-302 of this title, subsection (3) of Section 3-302 of this title and otherwise in this section; and

- (d) in the case of a failure to comply with any requirement under Section 3-309.4 of this title, an amount equal to the sum of all finance charges and fees paid by the consumer, unless the creditor demonstrates that the failure to comply is not material.

(2) A creditor or assignee has no liability under this section, Section 5-302 of this title or Article 6 of this title in relation to disclosure if within sixty (60) days after discovering an error whether pursuant to a final written examination report or notice issued under subsection (4) of Section 6-105 of this title or through the creditor's or assignee's own procedures, and prior to the institution of an action under this section or the receipt of written notice of the error from the obligor, the creditor or assignee notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the person will not be required to pay a credit service charge or loan finance charge in excess of the amount actually disclosed or the dollar equivalent of the percentage rate actually disclosed, whichever is lower.

(3) A creditor or assignee may not be held liable in any action brought under this section or Section 5-204 of this title for a violation of this title if the creditor or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid the error. A bona fide error includes, but is not limited to, a clerical, calculation, computer malfunction and programming, and printing error, but not an error of

legal judgment with respect to a person's disclosure obligations under this title.

(4) (a) Except as otherwise specifically provided in this section, any civil action for a violation of this section or administrative proceeding for restitution which may be brought against the original creditor in any transaction may be maintained against any subsequent assignee of the original creditor in any transaction where the violation from which the alleged liability arose is apparent on the face of the disclosure statement unless the assignment was involuntary. For the purpose of this section, a violation apparent on the face of the disclosure statement includes, but is not limited to, a disclosure which can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned or a disclosure which does not use the terms required to be used by this title.

(b) (i) Except as otherwise specifically provided in this title, any civil action against a creditor for a violation of this title, and any administrative proceeding against a creditor, with respect to a consumer credit transaction secured by real property may be maintained against any assignee of such creditor only if:

(aa) the violation for which such action or proceeding is brought is apparent on the face of the disclosure statement provided in connection with such transaction pursuant to this title; and

(bb) the assignment to the assignee was voluntary.

(ii) For the purpose of this section, a violation is apparent on the face of the disclosure statement if:

(aa) the disclosure can be determined to be incomplete or inaccurate by a comparison among the disclosure statement, any itemization of the amount financed, the note, or any other disclosure of disbursement; or

(bb) the disclosure statement does not use the terms or format required to be used by this title.

(5) Any person who has the right to rescind a transaction under Section 5-204 of this title may rescind the transaction as against any assignee of the obligation.

(6) No action pursuant to this section may be brought more than one (1) year after the date of the occurrence of the violation or in the case of a private education loan, as the term is defined in Section 8 of this act, one (1) year from the date on which the first regular payment of principal is due under the loan.

(7) (a) In this section, "creditor" includes sellers, lessors, lenders, persons who regularly offer to lease or arrange to lease under consumer leases and any other person required to make disclosures under Part 3 of either Article 2 or Article 3 of this title.

(b) (i) A servicer of a consumer obligation arising from a consumer credit transaction shall not be treated as an assignee of such obligation for purposes of this section unless the servicer is or was the owner of the obligation.

(ii) A servicer of a consumer obligation arising from a consumer credit transaction shall not be treated as the owner of the obligation for purposes of this section on the basis of an assignment of the obligation from the creditor or another assignee to the servicer solely for the administrative convenience of the servicer in servicing the obligation. Upon written request by the obligor, the servicer shall provide the obligor, to the best knowledge of the servicer, with the name, address, and telephone number of the owner of the obligation or the master servicer of the obligation.

(iii) For purposes of this subsection, the term "servicer" has the same meaning as in Section 6(i)(2) of the Real Estate Settlement Procedures Act of 1974.

(iv) This subsection shall apply to all consumer credit transactions in existence or consummated on or after September 30, 1995.

(8) Where there are multiple obligors in a consumer credit transaction or consumer lease, there shall be no more than one recovery under paragraph (b) of subsection (1) of this section for a violation of this title.

(9) The multiple failure to disclose to any person any information required under this title to be disclosed in connection with a single account under an open-end consumer credit plan, other single consumer credit sale, consumer loan, consumer lease, or other extension of consumer credit shall entitle the person to a single recovery under this section but continued failure to disclose after a recovery has been granted shall give rise to rights to additional

recoveries. This subsection does not bar any remedy permitted by Section 5-204 of this title.

(10) A person may not take any action to offset any amount for which a creditor or assignee is potentially liable to that person under paragraph b of subsection (1) of this section against any amount owed by that person unless the amount of the creditor's or assignee's liability has been determined by judgment of a court of competent jurisdiction in an action to which the person was a party. This subsection does not bar a person then in default on the obligation from asserting a violation of disclosure requirements as an original action or as a defense or counterclaim to an action to collect amounts owed by the person brought by another person liable under this title if the claim is not time barred, or as a setoff or defense in accordance with Section 5-205 of this title.

(11) (a) Any person who purchases or is otherwise assigned a mortgage referred to in subsection (10) of Section 1-301 of this title shall be subject to all claims and defenses with respect to that mortgage that the consumer could assert against the creditor of the mortgage, unless the purchaser or assignee demonstrates, by a preponderance of the evidence, that a reasonable person exercising ordinary due diligence, could not determine, based on the documentation required by this title, the itemization of the amount financed, and other disclosure of disbursements that the mortgage was a mortgage referred to in subsection (10) of Section 1-301 of this title. The preceding sentence does not affect rights of a consumer under paragraph (a) of subsection (4) or subsection (5) of this section or any other provision of this title.

- (b) Notwithstanding any other provision of law, relief provided as a result of any action made permissible by paragraph (a) of this subsection may not exceed:
- (i) with respect to actions based upon a violation of this title, the amount specified in subsection (1) of this section; and
 - (ii) with respect to all other causes of action, the sum of:
 - (aa) the amount of all remaining indebtedness; and
 - (bb) the total amount paid by the consumer in connection with the transaction.
- (c) The amount of damages that may be awarded under subparagraph (ii) of paragraph (b) of this subsection shall be reduced by the amount of any damages awarded under subparagraph (i) of paragraph (b) of this subsection.

(d) Any person who sells or otherwise assigns a mortgage referred to in subsection (10) of Section 1-301 of this title shall include a prominent notice of the potential liability under this subsection as determined by the Administrator.

(12) A private educational lender, as the term is defined in Section 8 of this act, has no liability under this section for failure to comply with subsection (3) of Section 11 of this act. Added by Laws 1969, c. 352, § 5-203, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 10; Laws 1976, c. 263, § 5, emerg. eff. June 17, 1976; Laws 1982, c. 335, § 52, operative Oct. 1, 1982; Laws 1990, c. 260, § 29, operative July 1, 1990; Laws 2000, c. 217, § 19, eff. July 1, 2000; Laws 2003, c. 330, § 14, eff. Jan. 1, 2004; Laws 2012, c. 172, § 6, eff. July 1, 2012; Laws 2013, c. 99, § 6, eff. July 1, 2013.

§14A-5-204. Right to rescind certain transactions.

(1) Except as otherwise provided in this section, in the case of a consumer credit sale or consumer loan, including opening or increasing the credit limit for an open-end credit plan, with respect to which a security interest, including any such interest arising by operation of law, is or will be retained or acquired in any real or personal property which is used as the principal dwelling of the person to whom credit is extended, each person in whose principal dwelling a security interest is or will be retained or acquired, if that person's ownership interest in the dwelling is or will be subject to the security interest, shall have the right to rescind the transaction until midnight of the third business day following the consummation of the transaction or the delivery of the information and rescission forms required under this section together with a statement containing the material disclosures as defined in subsection (7) of this section, whichever is later, by notifying the creditor, in accordance with rules of the Administrator, of the person's intention to do so. The creditor shall clearly and conspicuously disclose, in accordance with rules of the Administrator, in a transaction subject to this section the rights of the person having the right of rescission under this section. The creditor shall also provide, in accordance with rules of the Administrator, appropriate forms and an adequate opportunity to a person having the right of rescission to exercise the right to rescind any transaction subject to this section. If the required notice and material disclosures are not delivered, the right to rescind shall expire no later than three (3) years after the date of consummation of the transaction giving rise to the right of rescission, or upon sale of the property, whichever occurs first; except that if the Administrator or any other appropriate agency institutes a proceeding to enforce the provisions of this section

within three (3) years after the date of consummation of the transaction and finds a violation of this section and the right to rescind is based in whole or in part on any matter involved in such proceeding, then the right of rescission shall expire three (3) years after the date of consummation of the transaction or upon the earlier sale of the property, or upon the expiration of one (1) year following the conclusion of the proceeding, or any judicial review or period for judicial review thereof, whichever is later.

(2) When the right of rescission is exercised under subsection (1) of this section, the debtor or person exercising the right of rescission is not liable for any credit service charge, loan finance charge or other charge, and any security interest given, including any such interest arising by operation of law, becomes void upon the rescission. Within twenty (20) days after receipt of a notice of rescission, the creditor shall return any money or property given as earnest money, down payment or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under the transaction. If the creditor has delivered any property to the person exercising the right of rescission, such person may retain possession of it. Upon the performance of the creditor's obligations under this section, the person exercising the right of rescission shall tender to the creditor all property delivered by the creditor in the consumer credit transaction, except that if return of the property in kind would be impractical or inequitable, tender of its reasonable value shall be made. Tender shall be made at the location of the property or at the principal dwelling of the person exercising the right of rescission, at the option of the person. If the creditor does not take possession of the property within twenty (20) days after tender by the person exercising the right of rescission, such person may keep it without further obligation. The procedures prescribed by this subsection shall apply except when otherwise ordered by a court.

(3) Notwithstanding any rule of evidence, written acknowledgment of receipt of any disclosure required under this title by a person to whom information, forms, and a statement is required to be given pursuant to this section does no more than create a rebuttable presumption of delivery thereof.

(4) The person entitled to exercise the right of rescission may modify or waive the right to rescind if that person determines that the extension of credit is necessary in order to meet a bona fide personal financial emergency. To modify or waive the right, the person shall give the creditor a dated written statement that describes the emergency, specifically modifies or waives the right to rescind, and bears the signature of all of the persons entitled to rescind. Printed forms for this purpose are prohibited.

(5) This section does not apply to the creation or retention of a consensual lien against a principal dwelling to finance the acquisition or initial construction of that dwelling; a transaction which constitutes a refinancing or consolidation (with no new advances) of the principal balance then due and any accrued and unpaid finance charges of an existing extension of credit by the same creditor secured by an interest in the same property; a transaction in which an agency of a state is the creditor; or advances under a preexisting open-end credit plan if a security interest has already been retained or acquired and such advances are in accordance with a previously established credit limit for such plan.

(6) In any action in which it is determined that a creditor has violated this section, in addition to rescission the court may award relief under Section 5-203 of this title for violations of this title not relating to the right to rescind.

(7) The term "material disclosures" means the disclosure, as required by this title, of the annual percentage rate, the method of determining the finance charge and the balance upon which a finance charge will be imposed, the amount of the finance charge, the amount to be financed, the total of payments, the number and amount of payments, and the due dates or periods of payments scheduled to repay the indebtedness.

(8) An obligor shall have no rescission rights arising solely from the form of written notice used by the creditor to inform the obligor of the rights of the obligor under this section, if the creditor provided the obligor the appropriate form of written notice published and adopted by the Administrator, or a comparable written notice of the rights of the obligor, that was properly completed by the creditor, and otherwise complied with all other requirements of this section regarding notice.

(9) (a) Notwithstanding the provisions of Section 21 of this act, and subject to the time period provided in subsection (1) of this section, in addition to any other right of rescission available under this section for a transaction, after the initiation of any judicial or nonjudicial foreclosure process on the primary dwelling of an obligor securing an extension of credit, the obligor shall have a right to rescind the transaction equivalent to other rescission rights provided by this section, if:

- (i) a mortgage broker fee is not included in the finance charge in accordance with the laws and regulations in effect at the time the consumer credit transaction was consummated; or
- (ii) the form of notice of rescission for the transaction is not the appropriate form of

written notice published and adopted by the Administrator or a comparable written notice, and otherwise complied with all the requirements of this section regarding notice.

- (b) Notwithstanding the provisions of subsection (6) of Section 3-304 of this title, and subject to the time period provided in subsection (1) of this section, for the purposes of exercising any rescission rights after the initiation of any judicial or nonjudicial foreclosure process on the principal dwelling of the obligor securing an extension of credit, the disclosure of the finance charge and other disclosures affected by any finance charge shall be treated as being accurate for purposes of this section if the amount disclosed as the finance charge does not vary from the actual finance charge by more than Thirty-five Dollars (\$35.00) or is greater than the amount required to be disclosed under this title.
- (c) Nothing in this subsection affects a consumer's right of rescission in recoupment under law.
- (d) This subsection shall apply to all consumer credit transactions in existence or consummated on or after September 30, 1995.

Added by Laws 1969, c. 352, § 5-204, eff. July 1, 1969. Amended by Laws 1976, c. 263, § 6, emerg. eff. June 17, 1976; Laws 1982, c. 335, § 53, operative Oct. 1, 1982; Laws 2000, c. 217, § 20, eff. July 1, 2000.

§14A-5-205. Refunds and penalties as set-off to obligation.

Refunds or penalties to which the debtor is entitled pursuant to this part may be set off against the debtor's obligation, and may be raised as a defense to a suit on the obligation without regard to the time limitations prescribed by this part.

Added by Laws 1969, c. 352, § 5-205, eff. July 1, 1969.

§14A-5-206. Closed-end consumer credit transaction secured by real property or dwelling consummated before September 30, 1995 - Nonliability of creditor.

(1) For any closed-end consumer credit transaction that is secured by real property or a dwelling, that is subject to Title 14A of the Oklahoma Statutes, and that is consummated before September 30, 1995, a creditor or any assignee of a creditor shall have no civil, administrative, or criminal liability under Title 14A of the Oklahoma Statutes for, and a consumer shall have no extended rescission rights under subsection (1) of Section 5-204 of Title 14A of the Oklahoma Statutes with respect to:

- (a) the creditor's treatment, for disclosure purpose, of:

- (i) taxes described in paragraph (a) of subsection (1) of Section 3-202 of Title 14A of the Oklahoma Statutes;
 - (ii) fees described in paragraphs (d) and (e) of subsection (1) of Section 3-202 of Title 14A of the Oklahoma Statutes;
 - (iii) fees and amounts referred to in the third sentence of paragraph (b) of subsection (1) of Section 3-109 of Title 14A of the Oklahoma Statutes; or
 - (iv) borrower-paid mortgage broker fees referred to in subparagraph (vi) of paragraph (b) of subsection (1) of Section 3-109 of Title 14A of the Oklahoma Statutes;
- (b) the form of written notice used by the creditor to inform the obligor of the rights of the obligor under Section 5-204 of Title 14A of the Oklahoma Statutes if the creditor provided the obligor with a properly dated form of written notice published and adopted by the Administrator or a comparable written notice, and otherwise complied with all the requirements of this section regarding notice; or
- (c) any disclosure relating to the finance charge imposed with respect to the transaction if the amount or percentage actually disclosed:
- (i) may be treated as accurate for purposes of this title if the amount disclosed as the finance charge does not vary from the actual finance charge by more than Two Hundred Dollars (\$200.00);
 - (ii) may, under paragraph (b) of subsection (6) of Section 3-304 of Title 14A of the Oklahoma Statutes, be treated as accurate for purposes of Section 5-204 of Title 14A of the Oklahoma Statutes; or
 - (iii) is greater than the amount or percentage required to be disclosed under Title 14A of the Oklahoma Statutes.
- (2) Subsection (1) of this section shall not apply to:
- (a) any individual action or counterclaim brought under Title 14A of the Oklahoma Statutes which was filed before June 1, 1995;
 - (b) any class action brought under Title 14A of the Oklahoma Statutes for which a final order certifying a class was entered before January 1, 1995;

- (c) the named individual plaintiffs in any class action brought under Title 14A of the Oklahoma Statutes which was filed before June 1, 1995; or
- (d) any consumer credit transaction with respect to which a timely notice of rescission was sent to the creditor before June 1, 1995.

Added by Laws 2000, c. 217, § 21, eff. July 1, 2000.

§14A-5-301. Willful violations.

(1) A supervised lender who willfully makes charges in excess of those permitted by the provisions of the article on loans (Article 3) applying to supervised loans (Part 5) is guilty of a misdemeanor and upon conviction may be sentenced to pay a fine not exceeding Five Hundred Dollars (\$500.00), or to imprisonment not exceeding one (1) year, or both.

(2) A person, other than a supervised financial organization, who willfully engages in the business of making supervised loans without a license in violation of the provisions of this act applying to authority to make supervised loans (Section 3-502) is guilty of a misdemeanor and upon conviction may be sentenced to pay a fine not exceeding Five Thousand Dollars (\$5,000.00), or to imprisonment not exceeding one (1) year, or both.

(3) A person who willfully engages in the business of making consumer credit sale, consumer leases, or consumer loans, or of taking assignments of rights against debtors arising therefrom and undertakes direct collection of payments or enforcement of these rights, without complying with the provisions of this act concerning notification (Section 6-202) or payment of fees (Section 6-203), is guilty of a misdemeanor and upon conviction may be sentenced to pay a fine not exceeding Five Hundred Dollars (\$500.000).

Added by Laws 1969, c. 352, § 5-301, eff. July 1, 1969.

§14A-5-302. Disclosure violations.

A person is guilty of a misdemeanor and upon conviction may be sentenced to pay a fine not exceeding Five Thousand Dollars (\$5,000.00), or to imprisonment not exceeding one (1) year, or both, if he willfully and knowingly

(1) gives false or inaccurate information or fails to provide information which he is required to disclose under the provisions of this act on disclosure and advertising (Part 3) of the article on credit sales (Article 2) or of the article on loans (Article 3), or of any related rule of the Administrator adopted pursuant to this act;

(2) uses any rate table or chart, the use of which is authorized by rule of the Administrator adopted pursuant to the provisions on calculation of rate to be disclosed (Section 2-304 and

Section 3-304), in a manner which consistently understates the annual percentage rate determined according to those provisions; or

(3) otherwise fails to comply with any requirement of the provisions of this act on disclosure and advertising (Part 3) of the article on credit sales (Article 2) or of the article on loans (Article 3), or of any related rule of the Administrator adopted pursuant to this act.

Added by Laws 1969, c. 352, § 5-302, eff. July 1, 1969.

§14A-6-101. Short title.

This article shall be known and may be cited as Uniform Consumer Credit Code - Administration.

Added by Laws 1969, c. 352, § 6-101, eff. July 1, 1969.

§14A-6-102. Applicability.

(1) This part applies to persons who in this state make or solicit consumer credit sales, consumer leases, and consumer loans; or who directly collect payments from or enforce rights against debtors arising from the sales, leases, or loans previously specified wherever they are made.

(2) In relation to the powers of the Administrator to administer the provisions on disclosure (Parts 3 of Articles 2 and 3) and the right of rescission (Section 5-204), a consumer credit sale and a consumer loan shall include the transactions covered in Sections 2-301 and 3-301 and those excluded by Section 1-202(5).

Added by Laws 1969, c. 352, § 6-102, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 54, operative June 1, 1982.

§14A-6-103. Administrator.

"Administrator" means the Administrator of Consumer Credit.

Added by Laws 1969, c. 352, § 6-103, eff. July 1, 1969. Amended by Laws 2012, c. 172, § 7, eff. July 1, 2012.

§14A-6-104. Powers and duties of Administrator.

(1) In addition to other powers granted by this title, the Administrator of Consumer Credit may, within the limitations provided by law:

- (a) receive and act on complaints, take action designed to obtain voluntary compliance with this title, or commence proceedings on the Administrator's own initiative,
- (b) counsel persons and groups on their rights and duties under this title,
- (c) establish programs for the education of consumers with respect to credit practices and problems,

- (d) make studies appropriate to effectuate the purposes and policies of this title and make the results available to the public,
- (e) with approval by the Commission on Consumer Credit adopt, amend, and repeal substantive rules when specifically authorized by this title, and adopt, amend, and repeal procedural rules to carry out the provisions of this title, all as provided by the Administrative Procedures Act, and
- (f) enforce the disclosure provisions of the Federal Consumer Credit Protection Act as defined in Section 1-302 of this title.

(2) Except for refund of an excess charge, no liability is imposed under this title for an act done or omitted in conformity with a rule of the Administrator or written opinion of the Administrator stating rights and duties issued on the Administrator's own motion or in response to a request under paragraph (b) of subsection (1) of this section notwithstanding that after the act or omission the rule or opinion may be amended or repealed or be determined by judicial or other authority to be invalid for any reason. The opinions of the Administrator shall be compiled and published no less often than annually.

(3) The Administrator shall report annually on or before January 1 to the Governor and Legislature on the operation of the Administrator's office, on the use of consumer credit in the state, and on the problems of persons of small means obtaining credit from persons regularly engaged in extending sales or loan credit. For the purpose of making the report, the Administrator is authorized to conduct research and make appropriate studies. The report shall include a description of the examination and investigation procedures and policies of the Administrator's office, a statement of policies followed in deciding whether to investigate or examine the offices of credit suppliers subject to this title, a statement of the number and percentages of offices which are periodically investigated or examined, a statement of the types of consumer credit problems of both creditors and debtors which have come to the Administrator's attention through examinations and investigations and the disposition of them under existing law, and a general statement of the activities of the Administrator's office and of others to promote the purposes of this title. The report shall not identify the creditors against whom action is taken by the Administrator.

(4) The Administrator may enter into cooperative, coordinating and information-sharing agreements with any other agencies that have supervisory or regulatory responsibility over any entity that has been or may be licensed by the Department of Consumer Credit or any organization affiliated with or representing one or more agencies

with supervisory or regulatory responsibility over any entity that has been or may be licensed by the Department, and the Administrator may accept reports of examination and reports of investigation from any such agency or organization in lieu of conducting the Administrator's own examinations or investigations. The Administrator may cooperate, coordinate and enter into information-sharing agreements with the Oklahoma State Banking Department and other state agencies with whom the agreements may be mutually beneficial.

(5) The Administrator shall have the authority to adopt rules, not inconsistent with the provisions of this title, to limit the amount of the additional charges that lenders are permitted to impose under subsections (1) and (2) of Section 3-202 of this title and Section 3-203.2 of this title, or to limit the amount of deferral charges that sellers and lenders may impose under subsections (2) and (3) of Section 2-204 of this title and subsections (2) and (3) of Section 3-204 of this title. The Administrator shall:

- (a) in promulgating, amending or repealing rules pursuant to this section, take into consideration whether limits on the additional charges permitted under subsections (1) and (2) of Section 3-202 of this title and Section 3-203.2 of this title, or limits on deferral charges that sellers and lenders may impose under subsections (2) and (3) of Section 2-204 of this title and subsections (2) and (3) of Section 3-204 of this title, would:
 - (i) place lenders located in this state at a competitive disadvantage, with respect to the additional charges, as compared to out-of-state credit card lenders or place sellers and lenders in this state at a competitive disadvantage with respect to the deferral charges, as compared to out-of-state sellers and lenders,
 - (ii) require sellers or lenders located in this state to impose higher finance charges, or
 - (iii) impede the growth of consumer credit sales or the consumer lending industry in this state, and
- (b) adopt rules limiting the dollar amounts of the additional charges permitted under subsections (1) and (2) of Section 3-202 of this title and Section 3-203.2 of this title, or the deferral charges permitted under subsections (2) and (3) of Section 2-204 of this title and subsections (2) and (3) of Section 3-204 of this title, in the event that the Administrator determines that such limits are necessary to protect debtors in this state from being subjected to charges which are

unreasonable or excessive as compared to the prevailing charges being imposed by out-of-state lenders and sellers.

Added by Laws 1969, c. 352, § 6-104, eff. July 1, 1969. Amended by Laws 1970, c. 282, § 11; Laws 1982, c. 335, § 55, operative June 1, 1982; Laws 1992, c. 51, § 1, eff. Sept. 1, 1992; Laws 1998, c. 352, § 5, eff. July 1, 1998; Laws 2000, c. 217, § 22, eff. July 1, 2000; Laws 2003, c. 65, § 3, emerg. eff. April 10, 2003; Laws 2014, c. 159, § 3, eff. July 1, 2014; Laws 2019, c. 103, § 1, eff. Nov. 1, 2019.

§14A-6-105. Administrative enforcement powers with respect to supervised financial institutions.

(1) With respect to supervised financial organizations, the powers of examination and investigation under Sections 3-506 and 6-106 of this title and administrative enforcement under Section 6-108 of this title shall be exercised by the official or agency to whose supervision the organization is subject. All other powers of the Administrator under this title may be exercised by the Administrator with respect to a supervised financial organization.

(2) If the Administrator receives a complaint or other information concerning noncompliance with this title by a supervised financial organization, the Administrator shall inform the official or agency having supervisory authority over the organization concerned. The Administrator may request information about supervised financial organizations from the officials or agencies supervising them.

(3) The Administrator and any official or agency of this state having supervisory authority over a supervised financial organization are authorized and directed to consult and assist one another in maintaining compliance with this title. They may jointly pursue investigations, prosecute suits, and take other official action, as they deem appropriate, if either of them is otherwise empowered to take the action.

(4) (a) In carrying out their enforcement activities each agency having administrative responsibility with respect to persons subject to this title, including the Administrator, in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and are authorized in accordance with the provisions of this subsection to require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually

disclosed, whichever is lower. For the purposes of this subsection, except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in determining whether a disclosure error has occurred and in calculating any adjustment:

- (i) each agency shall apply:
 - (aa) with respect to the annual percentage rate, a tolerance of one-quarter of one percent (1/4 of 1%) more or less than the actual rate, determined without regard to tolerance rules for other purposes, and
 - (bb) with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerance provided under this subsection for the annual percentage rate; except that:
- (ii) with respect to transactions consummated after two (2) years following March 31, 1980, each agency shall apply:
 - (aa) for transactions that have a scheduled amortization of ten (10) years or less, with respect to the annual percentage rate, a tolerance not to exceed one-quarter of one percent (1/4 of 1%) more or less than the actual rate, determined without regard to tolerance rules for other purposes, but in no event a tolerance of less than the tolerances allowed for other purposes,
 - (bb) for transactions that have a scheduled amortization of more than ten (10) years, with respect to the annual percentage rate, only such tolerances as are allowed for other purposes, and
 - (cc) for all transactions, with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerances provided under this subsection for the annual percentage rate.
- (iii) In connection with credit transactions not under an open-end credit plan that are secured by real property or a dwelling, the disclosure of the finance charge and other disclosures affected by any finance charge:
 - (aa) shall be treated as being accurate for purposes of this title if the amount disclosed as the finance charge:

- (I) does not vary from the actual finance charge by more than One Hundred Dollars (\$100.00), or
 - (II) is greater than the amount required to be disclosed under this title, and
- (bb) shall be treated as being accurate for purposes of Section 5-204 of this title if:
- (I) except as provided in subparagraph (ii) of this paragraph, the amount disclosed as the finance charge does not vary from the actual finance charge by more than an amount equal to one-half of one percent (1/2 of 1%) of the total amount of credit extended, or
 - (II) in the case of a transaction, other than a subsection 10 mortgage referred to in subsection (10) of Section 1-301 of this title, which:
 - (A) is a refinancing of the principal balance then due and any accrued and unpaid finance charges of a residential mortgage transaction as defined in subsection (17) of Section 1-301 of this title, or is any subsequent refinancing of such a transaction, and
 - (B) does not provide any new consolidation or new advance,
 if the amount disclosed as the finance charge does not vary from the actual finance charge by more than an amount equal to one percent (1%) of the total amount of credit extended.
- (b) Each agency shall require such an adjustment when it determines that such disclosure error resulted from:
- (i) a clear and consistent pattern or practice of violations,
 - (ii) gross negligence, or
 - (iii) a willful violation which was intended to mislead the person to whom the credit was extended.
- Notwithstanding the preceding sentence, except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, an agency need not require such an adjustment if it determines that such disclosure error:
- (aa) resulted from an error involving the disclosure of a fee or charge that would

- otherwise be excludable in computing the finance charge, including but not limited to violations involving the disclosures concerning consumer credit insurance, property and liability insurance, and official fees, in which event the agency may require such remedial action as it determines to be equitable, except that for transactions consummated after two (2) years following March 31, 1980, such an adjustment shall be ordered for violations of disclosure of consumer credit insurance,
- (bb) involved a disclosed amount which was ten percent (10%) or less of the amount that should have been disclosed and in cases where the error involved a disclosed finance charge, the annual percentage rate was disclosed correctly, and in cases where the error involved a disclosed annual percentage rate, the finance charge was disclosed correctly; in which event the agency may require such adjustment as it determines to be equitable,
 - (cc) involved a total failure to disclose either the annual percentage rate or the finance charge, in which event the agency may require such adjustment as it determines to be equitable, or
 - (dd) resulted from any other unique circumstance involving clearly technical and nonsubstantive disclosure violations that do not adversely affect information provided to the buyer, debtor or lessee and that have not misled or otherwise deceived the buyer, debtor or lessee.

In the case of other such disclosure errors, each agency may require such an adjustment.

- (c) Notwithstanding the provisions of paragraph (b) of this subsection, no adjustment shall be ordered:
 - (i) if it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the agency may require a partial adjustment in an amount which does not have such an impact except that with respect to any transaction consummated after March 1, 1980, the agency shall require the full adjustment, but permit the creditor to make the required

adjustment in partial payments over an extended period of time which the agency considers to be reasonable,

- (ii) if the amount of the adjustment would be less than One Dollar (\$1.00), except that if more than one (1) year has elapsed since the date of the violation, the agency may require that such amount be paid to the Administrator, or
- (iii) except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two (2) years after the violation, or in the case of any other extension of credit, as follows:
 - (aa) with respect to creditors that are subject to examination by the agencies referred to in this section, except in connection with violations arising from practices identified in the current examination and only in connection with transactions that are consummated after the date of the immediately preceding examination, except that where practices giving rise to violations identified in earlier examinations have not been corrected, adjustments for those violations shall be required in connection with transactions consummated after the date of the examination in which such practices were first identified,
 - (bb) with respect to creditors that are not subject to examination, except in connection with transactions that are consummated after May 10, 1978, and
 - (cc) in no event after the later of the expiration of the life of the credit extension, or two (2) years after the agreement to extend credit was consummated.
- (d) Notwithstanding any other provision of this subsection, an adjustment under this subsection may be required by an agency only by an order issued in accordance with cease and desist procedures either as prescribed in a statute governing that agency or in Section 6-108 of this title.
- (e) Except as otherwise specifically provided in this subsection, no agency may require a creditor to make

dollar adjustments for disclosure errors in any requirements under this title.

- (f) A creditor shall not be subject to an order to make an adjustment, if within sixty (60) days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedures, the creditor notifies the person concerned of the error and adjusts the account so as to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.
- (g) Notwithstanding the second sentence of paragraph (a) of this subsection and divisions (aa) and (bb) of subparagraph (iii) of paragraph (c) of this subsection, each agency shall require an adjustment for an annual percentage rate disclosure error that exceeds a tolerance of one-quarter of one percent (1/4 of 1%) less than the actual rate, determined without regard to tolerance rules for other purposes, except in the case of an irregular mortgage lending transaction, with respect to any transaction consummated between January 1, 1977, and April 1, 1980.
- (h) The Administrator may prescribe guidelines and interpretations to govern agency action under this subsection.

Added by Laws 1969, c. 352, § 6-105, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 56, operative Oct. 1, 1982; Laws 2000, c. 217, § 23, eff. July 1, 2000.

§14A-6-106. Investigatory powers.

(1) If the Administrator has probable cause to believe that a person has engaged in an act which is subject to action by the Administrator, he may make an investigation to determine whether the act has been committed, and, to the extent necessary for this purpose, may administer oaths or affirmations, and upon his own motion or upon request of any party may subpoena witnesses, compel their attendance, adduce evidence, and require the production of any matter which is relevant to the investigation, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of relevant facts, or any other matter reasonably calculated to lead to the discovery of admissible evidence.

(2) If the person's records are located outside this state, the person shall, at his option, either make them available to the Administrator at a convenient location within this state, or pay the reasonable and necessary expenses for the Administrator or his representative to examine them at the place where they are maintained. Payments for such necessary expenses shall be made to the Commission on Consumer Credit. Any such payments so received by the Department shall be deposited in the Consumer Credit Investigation Fund. The Administrator may designate representatives, including comparable officials of the state in which the records are located, to inspect them on his behalf.

(3) Upon failure without lawful excuse to obey a subpoena or to give testimony and upon reasonable notice to all persons affected thereby the Administrator may apply to a court for an order compelling compliance, as provided by the general act of this state governing administrative procedures (Title 75, Oklahoma Statutes, Chapters 7 and 8).

(4) The Administrator shall not make public the name or identity of a person whose acts or conduct he investigates pursuant to this section or the facts disclosed in the investigation, but this subsection does not apply to disclosures in actions or enforcement proceedings pursuant to this act.

Added by Laws 1969, c. 352, § 6-106, eff. July 1, 1969. Amended by Laws 1987, c. 208, § 43, operative July 1, 1987; Laws 1987, c. 236, § 69, emerg. eff. July 20, 1987.

§14A-6-106A. Repealed by Laws 2010, c. 415, § 37, eff. July 1, 2010.

§14A-6-107. Application of Administrative Procedure Act.

Except as otherwise provided, the State Administrative Procedure Act (Title 75, Oklahoma Statutes, Chapters 7 and 8) applies to and governs all administrative action taken by the Administrator pursuant to this article or the part on regulated and supervised Loans (Part 5) of the article on loans (Article 3).

Added by Laws 1969, c. 352, § 6-107, eff. July 1, 1969.

§14A-6-108. Administrative enforcement orders - Review.

(1) After notice and hearing, the Administrator or the independent hearing examiner may order a creditor or a person acting in the creditor's behalf to cease and desist from engaging in violations of this title.

(2) A respondent aggrieved by an order of the Administrator may obtain judicial review of the order as provided by the Administrative Procedures Act. In such a review proceeding, the Administrator may apply for a decree enforcing the order. All such proceedings shall be conducted and the court's authority in review

shall be exercised in accordance with the provisions of the Administrative Procedures Act, with the following additions:

- (a) the court may grant any temporary relief or restraining order it deems just,
- (b) if the court affirms or modifies the order, it shall enter a decree enforcing and requiring compliance with the order as affirmed or as modified,
- (c) an objection to the order not urged at the hearing shall not be considered by the court unless the failure to urge the objection is excused for good cause shown, and
- (d) the copy of the testimony from the administrative hearing shall be available at reasonable times to all parties for examination without cost.

(3) If no proceeding for review has been filed within the time specified by law, the Administrator or a representative may obtain from a court having jurisdiction over the respondent a decree for enforcement of the order upon a showing that the order was issued in compliance with this section, that no proceeding for review was initiated within the time specified by law, and that the respondent is subject to the jurisdiction of the court.

(4) With respect to unconscionable agreements or fraudulent or unconscionable conduct by the respondent, the Administrator or a representative may not issue an order pursuant to this section but may bring a civil action for an injunction under Section 6-111 of this title.

(5) In order to ensure the effective supervision and enforcement of supervised lenders licensed pursuant to Section 3-508A of this title, the Administrator of Consumer Credit may, after notice and hearing pursuant to Article II of the Administrative Procedures Act, seek any relief against the supervised lender licensee authorized by subsection (1), (2) or (3) of this section and may impose an administrative fine in an amount not less than One Hundred Dollars (\$100.00) nor more than Two Thousand Five Hundred Dollars (\$2,500.00) for each violation of the Uniform Consumer Credit Code, not to exceed Five Thousand Dollars (\$5,000.00) for all violations resulting from a single incident or transaction. Added by Laws 1969, c. 352, § 6-108, eff. July 1, 1969. Amended by Laws 2000, c. 217, § 24, eff. July 1, 2000; Laws 2014, c. 297, § 3.

§14A-6-109. Assurance of discontinuance.

If it is claimed that a person has engaged in conduct subject to an order by the Administrator (Section 6-108) or by a court (Sections 6-110 through 6-112), the Administrator may accept an assurance in writing that the person will not engage in the conduct in the future. If a person giving an assurance of discontinuance fails to comply with its terms, the assurance is evidence that prior

to the assurance he engaged in the conduct described in the assurance.

Added by Laws 1969, c. 352, § 6-109, eff. July 1, 1969.

§14A-6-110. Injunctions against violations of act.

The Administrator may bring a civil action to restrain a person from violating this act and for other appropriate relief.

Added by Laws 1969, c. 352, § 6-110, eff. July 1, 1969.

§14A-6-111. Injunctions against unconscionable agreements and fraudulent or unconscionable conduct.

(1) The Administrator may bring a civil action to restrain a creditor or a person acting in his behalf from engaging in a course of

- (a) making or enforcing unconscionable terms or provisions of consumer credit sales, consumer leases, or consumer loans;
- (b) fraudulent or unconscionable conduct in inducing debtors to enter into consumer credit sales, consumer leases, or consumer loans; or
- (c) fraudulent or unconscionable conduct in the collection of debts arising from consumer credit sales, consumer leases, or consumer loans.

(2) In an action brought pursuant to this section the court may grant relief only if it finds

- (a) that the respondent has made unconscionable agreements or has engaged or is likely to engage in a course of fraudulent or unconscionable conduct;
- (b) that the agreements or conduct of the respondent has caused or is likely to cause injury to consumers; and
- (c) that the respondent has been able to cause or will be able to cause the injury primarily because the transactions involved are credit transactions.

(3) In applying this section, consideration shall be given to each of the following factors, among other:

- (a) belief by the creditor at the time consumer credit sales, consumer leases, or consumer loans are made that there was no reasonable probability of payment in full of the obligation by the debtor;
- (b) in the case of consumer credit sales or consumer leases, knowledge by the seller or lessor at the time of the sale or lease of the inability of the buyer or lessee to receive substantial benefits from the property or services sold or leased;
- (c) in the case of consumer credit sales or consumer leases, gross disparity between the price of the property or services sold or leased and the value of

the property or services measured by the price at which similar property or services are readily obtainable in credit transactions by like buyers or lessees;

- (d) the fact that the creditor contracted for or received separate charges for insurance with respect to consumer credit sales or consumer loans with the effect of making the sales or loans, considered as a whole, unconscionable; and
- (e) the fact that the respondent has knowingly taken advantage of the inability of the debtor reasonably to protect his interests by reason of physical or mental infirmities, ignorance, illiteracy or inability to understand the language of the agreement, or similar factors.

(4) In an action brought pursuant to this section, a charge or practice expressly permitted by this act is not in itself unconscionable.

Added by Laws 1969, c. 352, § 6-111, eff. July 1, 1969.

§14A-6-112. Temporary relief.

With respect to an action brought to enjoin violations of the act (Section 6-110) or unconscionable agreements or fraudulent or unconscionable conduct (Section 6-111), the Administrator may apply to the court for appropriate temporary relief against a respondent, pending final determination of proceedings. If the court finds after a hearing held upon notice to the respondent that there is reasonable cause to believe that the respondent is engaging in or is likely to engage in conduct sought to be restrained, it may grant any temporary relief or restraining order it deems appropriate.

Added by Laws 1969, c. 352, § 6-112, eff. July 1, 1969.

§14A-6-113. Civil actions by Administrator.

(1) After demand, the Administrator of Consumer Credit may bring a civil action against a creditor for making or collecting charges in excess of those permitted by the Uniform Consumer Credit Code. An action may relate to transactions with more than one debtor. If it is found that an excess charge has been made, the court shall order the respondent to refund to the debtor or debtors the amount of the excess charge. If a creditor has made an excess charge in deliberate violation of or in reckless disregard for the Uniform Consumer Credit Code, or if a creditor has refused to refund an excess charge within a reasonable time after demand by the debtor or the Administrator the court may also order the respondent to pay to the debtor or debtors a civil penalty in an amount determined by the court not in excess of the greater of either the amount of the credit service or loan finance charge or ten times the amount of the

excess charge. Refunds and penalties to which the debtor is entitled pursuant to this subsection may be set off against the debtor's obligation. If a debtor brings an action against a creditor to recover an excess charge or civil penalty an action by the Administrator to recover for the same excess charge or civil penalty shall be stayed while the debtor's action is pending and shall be dismissed if the debtor's action is dismissed with prejudice or results in a final judgment granting or denying the debtor's claim. With respect to excess charges arising from sales made pursuant to revolving charge accounts or from loans made pursuant to revolving loan accounts, no action pursuant to this subsection may be brought more than two (2) years after the time the excess charge was made. With respect to excess charges arising from other consumer credit sales or consumer loans, no action pursuant to this subsection may be brought more than one (1) year after the due date of the last scheduled payment of the agreement pursuant to which the charge was made. If the creditor establishes by a preponderance of evidence that a violation is unintentional or the result of a bona fide error, no liability to pay a penalty shall be imposed under this subsection.

(2) The Administrator may bring a civil action against a creditor or a person acting in his behalf to recover a civil penalty for willfully violating the Uniform Consumer Credit Code, and if the court finds that the defendant has engaged in a course of repeated and willful violations of the Uniform Consumer Credit Code, it may assess a civil penalty of no more than Five Thousand Dollars (\$5,000.00). No civil penalty pursuant to this subsection may be imposed for violations of the Uniform Consumer Credit Code occurring more than two (2) years before the action is brought or for making unconscionable agreements or engaging in a course of fraudulent or unconscionable conduct.

(3) Any entity or individual offering to engage or engaged in making consumer credit sales, consumer leases, consumer loans or supervised loans in this state without a license or notification filing required by this title shall be subject to a civil penalty not to exceed Five Thousand Dollars (\$5,000.00).

(4) The Administrator may impose a civil penalty as prescribed in subsection (3) of this section, after notice and hearing as provided in Section 3-505 of this title and in accordance with Article II of the Administrative Procedures Act. Any administrative order or settlement agreement imposing a civil penalty pursuant to this section may be enforced in the same manner as civil judgments in this state. The Administrator may file an application to enforce an administrative order or settlement agreement imposing a civil penalty in the district court of Oklahoma County.

Added by Laws 1969, c. 352, § 6-113, eff. July 1, 1969. Amended by Laws 2010, c. 415, § 5, eff. July 1, 2010.

§14A-6-114. Jury trial.

In an action brought by the Administrator under this act, the Administrator has no right to trial by jury.

Added by Laws 1969, c. 352, § 6-114, eff. July 1, 1969.

§14A-6-115. Debtors' remedies not affected.

The grant of powers to the Administrator in this article does not affect remedies available to debtors under this act or under other principles of law or equity.

Added by Laws 1969, c. 352, § 6-115, eff. July 1, 1969.

§14A-6-116. Report on conclusion of examination - Preservation of examinations and reports.

A. Upon the conclusion of any examination conducted by the Department of Consumer Credit pursuant to this or any other act administered by the Administrator of Consumer Credit, the Administrator may make and file in the Office of the Administrator a report in detail disclosing the results of such examination or may, on conditions prescribed by the Administrator, prepare a summary memorandum regarding the results of such examination, and shall, upon request by the examined party, mail a copy of such report or memorandum to the examined party.

B. All examinations and reports received by the Administrator shall be preserved in the Office of the Administrator for a period of not less than five (5) years. Such examinations and reports and all other records of licensed entities are to be kept confidential, except as otherwise permitted by law. Copies of such examinations and reports in the possession of an institution under the Department's supervision are the property of the Department and are not subject to disclosure to third parties, including disclosure or production pursuant to subpoena or other request. However, an institution in possession of a copy of such examinations and reports may disclose the examinations and reports to its accountants, advisors, consultants and legal counsel. An institution in possession of a copy of examinations and reports may also disclose such examinations and reports to other persons or entities with the prior written approval of the Administrator or Deputy Administrator. All requests for review of such examinations and reports, other than an institution's accountants, advisors, consultants, legal counsel or a third party that has obtained the written approval of the Administrator or Deputy Administrator, shall be directed to the Department and are subject to the requirements of Section 3 of this act.

Added by Laws 2019, c. 103, § 2, eff. Nov. 1, 2019.

§14A-6-117. Designation as public records - Other records confidential.

A. The following records in the Oklahoma Department of Consumer Credit are designated as public records:

1. All applications for licensure and supporting information with the exception of personal financial records of individual applicants, dates of birth, Social Security numbers, signatures and fingerprints;

2. All records introduced at administrative hearings; and

3. All records related to licensed entities filed in the Office of the Secretary of State.

B. All other records in the Department shall be confidential and not subject to public inspection. However, the Commission on Consumer Credit, Administrator of Consumer Credit or Deputy Administrator may divulge such confidential information with the written approval of the Administrator after receipt of a written request which shall:

1. Specify the record or records to which access is requested; and

2. Give the reasons for the request.

Such records may also be produced pursuant to a valid judicial subpoena or other legal process requiring production, if the Administrator determines that the records are relevant to the hearing or proceeding and that production is in the best interests of justice. The records may be disclosed only after a determination by the Administrator that good cause exists for the disclosure. Either prior to or at the time of any disclosure, the Administrator shall impose such terms and conditions as the Administrator deems necessary to protect the confidential nature of the record, the financial integrity of any institution to which the record relates and the legitimate privacy interests of any individual named in such records.

C. All documents which the Department is required, by any provision of any act administered by the Administrator or by any other statute or regulation of this state, to retain or preserve in its possession may be retained and preserved, in lieu of retention of the original records or copies, in an electronic format and stored by electronic imaging or otherwise so that the documents may be later reproduced as necessary. Any such electronically stored or imaged document or reproduction shall have the same force and effect as the original thereof and shall be admitted in evidence equally with the original.

D. With respect to records of the Department which are considered public records, and which are subject to the Oklahoma Open Records Act, the Department may charge a document copying fee of twenty-five cents (\$0.25) per page. With respect to records of the Department which are not considered public records, the

Department may charge a document copying fee of One Dollar (\$1.00) per page, and if the Administrator, pursuant to the provisions of subsection B of this section, permits the inspection or copying of an examination report prepared by the Department, a minimum fee of One Hundred Dollars (\$100.00) shall be charged.
Added by Laws 2019, c. 103, § 3, eff. Nov. 1, 2019.

§14A-6-117.1. Availability of data to agencies with direct supervisory authority.

A. A supervisory agency shall make available to a requesting agency any data obtained or generated by, and in the possession of, the supervisory agency and that the requesting agency deems necessary for review in connection with the supervision of any person over which the requesting agency has direct supervisory authority. However, the requested data must relate to the person, or an affiliate of the person, over which the requesting agency has direct supervisory authority. An agency has direct supervisory authority over a person if such authority is specifically provided by statute, or the agency granted the charter, license or registration of the person, or otherwise granted permission for the person to conduct its business in this state.

B. When a requesting agency and a federal regulatory agency or self-regulatory association have concurrent jurisdiction over a person, a requesting agency may share with such agency or association data received from a supervisory agency. However, the federal regulatory agency or self-regulatory association shall return such shared data to the requesting agency unless the federal regulatory agency or self-regulatory association has obtained approval from the supervisory agency to retain the data. The term "federal regulatory agency" shall not include law enforcement agencies.

C. 1. All data received by a requesting agency from a supervisory agency shall be and shall remain confidential and not open to public inspection, subpoena or any other form of disclosure while in the possession of the requesting agency. Any request for inspection, subpoena or other form of disclosure shall be directed to the supervisory agency from which the data originated and disclosure thereof shall be subject to the laws, rules and policies governing or relating to records of the supervisory agency.

2. The providing of data by a supervisory agency to a requesting agency under this section shall not constitute a waiver of or otherwise affect any privilege or claim of confidentiality that a supervisory agency may claim with respect to such data under any federal laws or laws of this state.

D. A supervisory agency shall not be required to share original documents with a requesting agency. A requesting agency shall

reimburse the supervisory agency for costs associated with providing copies of data to the requesting agency.

E. As used in this section:

1. "Affiliate" means any person that controls, is controlled by or is under common control with another person. A person shall be deemed to have "control" over any person if the person:

- a. directly or indirectly or acting through one or more other persons owns, controls or has power to vote ten percent (10%) or more of any class of voting securities of the other person, or
- b. controls in any manner the election, appointment or designation of a majority of the directors, trustees or other managing officers of the person;

2. "Data" means copies of any documents, reports, examination reports, letters, correspondence, orders, stipulations, memorandums of understanding, agreements or any other records not open for public inspection generated by a supervisory agency or obtained by a supervisory agency from the person it supervises, whether in paper or electronic format. However, data shall not include records that a requesting agency receives from a supervisory agency pursuant to this section;

3. "Requesting agency" means, as applicable, the Oklahoma Department of Consumer Credit, the Oklahoma State Banking Department, the Oklahoma Insurance Department or the Oklahoma Department of Securities that requests from a supervisory agency data relating to a person over which the requesting agency does not have direct supervisory authority;

4. "Supervision" means any examination, assessment, order, stipulation, agreement, report, memorandum of understanding or other regulatory matter or process that a requesting agency is authorized to perform in relation to a person; and

5. "Supervisory agency" means, as applicable, the Oklahoma Department of Consumer Credit, the Oklahoma State Banking Department, the Oklahoma Insurance Department or the Oklahoma Department of Securities that maintains data relating to a person over which the agency has direct supervisory authority.

Added by Laws 2019, c. 103, § 4, eff. Nov. 1, 2019.

§14A-6-201. Applicability.

This part applies to a person other than a supervised financial organization or a person holding a license to make supervised loans issued under Part 5 of Article 3 of this act, engaged in making in this state consumer credit sales, consumer leases, or consumer loans and to a person having an office or place of business in this state who takes assignments of and undertakes direct collection of payments from or enforcement of rights against debtors arising from these sales, leases or loans.

Added by Laws 1969, c. 352, § 6-201, eff. July 1, 1969.

§14A-6-202. Notification.

(1) Persons subject to this part shall file notification with the Administrator within thirty (30) days after commencing business in this state, and thereafter, on or before January 31 of each year. The notification shall state

- (a) name of the person;
- (b) name in which business is transacted if different from (1);
- (c) address of principal office, which may be outside this state;
- (d) address of all offices or retail stores, if any, in this state at which consumer credit sales, consumer leases, or consumer loans are made, or in the case of a person taking assignments of obligations, the offices or places of business within this state at which business is transacted;
- (e) if consumer credit sales, consumer leases, or consumer loans are made otherwise than at an office or retail store in this state, a brief description of the manner in which they are made;
- (f) address of designated agent upon whom service of process may be made in this state (Section 1-203); and
- (g) whether regulated or supervised loans or both are made.

(2) If information in a notification becomes inaccurate after filing, no further notification is required until the following January 31.

Added by Laws 1969, c. 352, § 6-202, eff. July 1, 1969.

§14A-6-203. Fees.

(1) Any person required to file notification pursuant to the provisions of Section 6-201 of this title, on or before January 31 of each year, shall pay to the Administrator of Consumer Credit an annual fee as prescribed by rule, and an investigation fee of One Hundred Dollars (\$100.00) for each business location. A late fee shall be charged for any notification filed after January 31. The license shall expire thirty (30) days after January 31 of any year for which the annual fee and investigation fee have not been paid. Licensees shall also pay a fee of Twenty-five Dollars (\$25.00) for any returned check, address or license change or duplicate license request.

(2) The term "licensee" or "license", as used in this title, includes any entity or individual that has filed or is required to file notification with the Administrator pursuant to the provisions of Sections 6-201 through 6-203 of this title.

Added by Laws 1969, c. 352, § 6-203, eff. July 1, 1969. Amended by Laws 1984, c. 200, § 3, operative July 1, 1984; Laws 1986, c. 208, § 4, operative July 1, 1986; Laws 2010, c. 415, § 6, eff. July 1, 2010; Laws 2019, c. 107, § 1, eff. Nov. 1, 2019.

§14A-6-301. Consumer Credit Administrative Expenses Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Commission on Consumer Credit to be designated as the "Consumer Credit Administrative Expenses Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all monies as directed to be deposited in such fund by law. Monies accruing to the credit of this fund are hereby appropriated and may be budgeted and expended by the Administrator of the Commission on Consumer Credit upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Added by Laws 2009, c. 431, § 1, eff. July 1, 2009. Amended by Laws 2012, c. 304, § 54.

§14A-6-302. Commission on Consumer Credit - Prescription of fees.

(1) The Commission on Consumer Credit shall prescribe by administrative rules all fees authorized by the Uniform Consumer Credit Code, the Credit Services Organization Act, the Oklahoma Pawnshop Act, the Precious Metal and Gem Dealer Licensing Act, the Oklahoma Rental-Purchase Act, the Oklahoma Health Spa Act, the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and the Deferred Deposit Lending Act. All fees prescribed by rule of the Commission shall be in accordance with Article I of the Administrative Procedures Act and this subsection. Prior to July 1, 2011, the Commission shall establish all authorized fees by emergency rule. Any fee established by emergency rule shall remain effective until the fee is prescribed by permanent rule of the Commission in accordance with Article I of the Administrative Procedures Act. Any fees prescribed by rule after July 1, 2011, shall be prescribed as permanent rules; provided, no fee prescribed after July 1, 2011, shall become effective unless approved by the Legislature.

(2) Examination and investigation fees shall not be increased more than Two Hundred Dollars (\$200.00) in a three-calendar-year period.

(3) Annual license fees shall not be increased more than One Hundred Dollars (\$100.00) in a three-calendar-year period.

Added by Laws 2010, c. 415, § 7, eff. July 1, 2010.

§14A-6-303. Deposit of fees in Consumer Credit Administrative Expenses Revolving Fund.

A. Beginning on the effective date of this act, ninety percent (90%) of all fees and civil penalties collected by the Department of Consumer Credit pursuant to the Uniform Consumer Credit Code, the Credit Services Organization Act, the Oklahoma Pawnshop Act, the Precious Metal and Gem Dealer Licensing Act, the Oklahoma Rental-Purchase Act, the Oklahoma Health Spa Act, the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and the Deferred Deposit Lending Act shall be deposited in the Consumer Credit Administrative Expenses Revolving Fund established in Section 6-301 of this title.

B. Beginning on the effective date of this act, ten percent (10%) of all fees and civil penalties collected by the Department of Consumer Credit pursuant to the Uniform Consumer Credit Code, the Credit Services Organization Act, the Oklahoma Pawnshop Act, the Precious Metal and Gem Dealer Licensing Act, the Oklahoma Rental-Purchase Act, the Oklahoma Health Spa Act, the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and the Deferred Deposit Lending Act shall be deposited in the General Revenue Fund of the State Treasury.

C. The provisions of this section shall not apply to fees received for the Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund and fees received from deferred deposit lenders for consumer counseling services pursuant to Section 3119 of Title 59 of the Oklahoma Statutes.

D. The Administrator of Consumer Credit may reduce annual license fees on a pro rata basis for a specific renewal period. The Administrator shall notify licensees of an annual license fee reduction prior to November 1 of the specific license renewal period. An annual license fee does not include an initial annual license fee for purposes of this subsection.

Added by Laws 2010, c. 415, § 8, eff. July 1, 2010. Amended by Laws 2012, c. 328, § 1; Laws 2014, c. 261, § 1; Laws 2017, c. 316, § 1, eff. July 1, 2018.

§14A-6-501. Department of Consumer Credit - Commission on Consumer Credit - Administrator of Consumer Credit.

There is hereby created:

- (a) the Department of Consumer Credit,
- (b) the Commission on Consumer Credit. The Commission shall be the policy-making and governing authority of the Department and shall appoint the Administrator and be responsible for the enforcement of the Uniform Consumer Credit Code, and
- (c) the Office of Administrator of Consumer Credit.

Added by Laws 1969, c. 352, § 6-501, eff. July 1, 1969. Amended by Laws 1979, c. 101, § 2, emerg. eff. April 25, 1979; Laws 2010, c. 415, § 9, eff. July 1, 2010; Laws 2015, c. 319, § 5, eff. Nov. 1, 2015; Laws 2023, c. 110, § 3, emerg. eff. April 28, 2023.

§14A-6-502. Members of Commission.

A. The Commission on Consumer Credit shall consist of nine (9) members to be appointed by the Governor by and with the advice and consent of the Senate. The State Banking Commissioner shall be an ex officio voting tenth member of the Commission.

B. It is unlawful for any member of the Commission, the Administrator of Consumer Credit, or any other officer or employee of the Department to use for personal benefit any information which is filed with or obtained by the Administrator and which is not made public. No provision of the Uniform Consumer Credit Code authorizes any member of the Commission, the Administrator, or any other officer or employee of the Department to disclose any information except among themselves or when necessary or appropriate in a proceeding or investigation according to the provisions of the Uniform Consumer Credit Code. The provisions of the Uniform Consumer Credit Code shall not be construed to create or derogate any privilege that exists at common law or otherwise when documentary or other evidence is sought under a subpoena directed to any member of the Commission, the Administrator, or any other officer or employee of the Department.

C. Except upon proof of corruption, no member of the Commission shall be civilly liable to any applicant or other person for any acts or omissions.

D. No member of the Commission shall participate in any proceeding before the Commission involving any corporation, partnership, or unincorporated association for which the member is or was at any time in the preceding twelve (12) months a director, officer, partner, employee, member, or stockholder. A member of the Commission may disqualify himself or herself from participation in any proceeding before the Commission for any cause deemed by him or her to be sufficient.

Added by Laws 1969, c. 352, § 6-502, eff. July 1, 1969. Amended by Laws 1984, c. 46, § 1, eff. Nov. 1, 1984; Laws 2009, c. 190, § 1, eff. July 1, 2009; Laws 2016, c. 158, § 1, emerg. eff. May 1, 2017.

§14A-6-503. Appointment of Commission members - Terms of office - Bipartisan composition.

The Governor annually shall appoint one Commission member to serve at large for a term of five (5) years, expiring on January 1. However, for the initial appointments, the Governor shall appoint five at-large members, and designate one member to serve for a term of one (1) year; one member to serve for a term of two (2) years; one member to serve for a term of three (3) years; one member to serve for a term of four (4) years; and one member to serve for a term of five (5) years, from their respective dates of appointment and qualification. Upon the expiration of these initial terms, the

term of each member shall be five (5) years from the date of his appointment and qualification, and until his successor shall qualify. No more than three at-large members of the Commission shall be members of the same political party. The Commission shall include four additional members, one who shall be actively engaged in the business of making supervised loans pursuant to the provisions of Section 3-508A of this title, one who shall be actively engaged in the business of making supervised loans pursuant to the provisions of Section 3-508B of this title, one who shall be actively engaged in the business of making pawn loans pursuant to the provisions of the Oklahoma Pawnshop Act and one who shall be a mortgage loan originator licensed pursuant to Section 8 of this act and has worked in this state for a minimum of three (3) years. These additional members shall be appointed in the following manner: one appointed by the Governor with the advice and consent of the Senate upon recommendation of the Oklahoma Consumer Finance Association, Inc., one appointed by the Governor with the advice and consent of the Senate upon recommendation of the Independent Finance Institute, Inc., one appointed by the Governor with the advice and consent of the Senate upon the recommendation of the Oklahoma Pawnbrokers Association, Inc., and one appointed by the Governor with the advice and consent of the Senate upon recommendation of the Oklahoma Association of Mortgage Professionals, or its successor, and whose initial appointment shall be made January 1, 2010. The appointments shall be made only from a list of twelve names submitted to the Governor by each recommending entity. If any recommending entity fails to submit a list within thirty (30) days after a vacancy occurs, the Governor, with the advice and consent of the Senate, shall fill the vacancy with a person qualified pursuant to the provisions of this section pertaining to additional members. For the initial appointments of these additional members, the Governor shall designate one member to serve for a term of three (3) years; one member to serve for a term of four (4) years; and one member to serve for a term of five (5) years, from the respective dates of appointment and qualification. No more than two of these additional members shall be members of the same political party. Vacancies for any unexpired term of any member of the Commission shall be filled by the Governor in the same manner as the initial appointments were made. All members of the Commission shall be eligible for reappointment.

Added by Laws 1969, c. 352, § 6-503, eff. July 1, 1969. Amended by Laws 1982, c. 335, § 57, operative Oct. 1, 1982; Laws 1984, c. 46, § 2, eff. Nov. 1, 1984; Laws 2009, c. 190, § 2, eff. July 1, 2009.

§14A-6-504. Chairman - Meetings - Quorum - Minutes - Reports - Records - Rules and regulations.

The Commission shall select a chair and is hereby authorized to adopt rules for conducting its proceedings. A majority of the voting members shall constitute a quorum for transacting Commission business. The Commission may meet monthly on such date as it may designate and may meet at such other times as it may deem necessary, or when called by the chair or by any two members. Complete minutes of each meeting shall be kept and filed in the Department of Consumer Credit and shall be available for public inspection during reasonable office hours. The Commission shall report annually to the Governor and to the Speaker of the House of Representatives and the President Pro Tempore of the Senate. The report shall contain a summary of the minutes of the meetings held during the year, legislative recommendations, a summary of violations of the Uniform Consumer Credit Code and action taken thereon, and such other data and information as may be deemed necessary or appropriate. Each member of the Commission shall have unrestricted access to all offices and records of the Department. The Commission may review, repeal, amend or modify any rule or regulation adopted or promulgated by the Administrator.

Added by Laws 1969, c. 352, § 6-504, eff. July 1, 1969. Amended by Laws 1979, c. 101, § 3, emerg. eff. April 25, 1979; Laws 1981, c. 272, § 4, eff. July 1, 1981; Laws 1986, c. 208, § 5, operative July 1, 1986; Laws 2016, c. 158, § 2, emerg. eff. May 1, 2017.

§14A-6-505. Repealed by Laws 1985, c. 178, § 81, operative July 1, 1985.

§14A-6-506. Qualifications and remuneration of administrator.

The Administrator of the Commission on Consumer Credit shall be a person of good moral character, at least twenty-five (25) years of age, and a resident taxpayer of Oklahoma, and shall have a minimum of five (5) years' experience with consumer credit and consumer transactions. The Commission may also require additional qualifications. The Administrator, while serving as such, shall not directly or indirectly be financially interested in or associated with any other person subject to the jurisdiction of the Commission or the Administrator. The salary of the Administrator shall be fixed by the Commission, from appropriations made by the Legislature.

Added by Laws 1969, c. 352, § 6-506, eff. July 1, 1969. Amended by Laws 1983, c. 240, § 5, operative July 1, 1983.

§14A-6-507. Deputy Administrator.

The Administrator, with the approval of the Commission, may designate a deputy administrator, who shall satisfy and meet the same qualifications, including bond, required for the Administrator and who shall perform all the duties required to be performed by the

Administrator when the Administrator is absent or unable to act for any reason.

Added by Laws 1969, c. 352, § 6-507, eff. July 1, 1969.

§14A-6-508. Bond.

Before assuming office, the Administrator shall give a bond in the sum of Fifty Thousand Dollars (\$50,000.00) payable to the State of Oklahoma, to be approved by the Attorney General of the State of Oklahoma, conditioned that he will faithfully execute the duties of his office. The Administrator may by rule or order require any employee of the Department to be bonded on the same condition and in the same or such lesser amount as he determines. The expense of all such bonds shall be paid from funds available to the Department.

Added by Laws 1969, c. 352, § 6-508, eff. July 1, 1969.

§14A-6-509. Internal organization.

The internal administrative organization of the Department shall be determined by the Commission in such manner as to promote the efficient and effective enforcement of this act.

Added by Laws 1969, c. 352, § 6-509, eff. July 1, 1969.

§14A-6-510. Employees - Duties - Compensation.

The Administrator shall prepare in writing a manual of necessary employee positions for the Department, including job classifications, personnel qualifications, duties, maximum and minimum salary schedules, and other personnel information for approval by the Commission. The Administrator may, with the approval of the Commission, select, appoint and employ such accountants, attorneys, auditors, examiners, clerks, stenographers and other personnel as he deems necessary for the proper administration of this act, and may fix their compensation and the salary of the Deputy Administrator. The Deputy Administrator and other employees of the Department shall serve at the pleasure of the Administrator.

Added by Laws 1969, c. 352, § 6-510, eff. July 1, 1969.

§14A-6-511. Repealed by Laws 1979, c. 101, § 4, emerg. eff. April 25, 1979 and Laws 1979, c. 152, § 4, eff. July 1, 1979.

§14A-6-512. Repealed by Laws 2010, c. 415, § 37, eff. July 1, 2010.

§14A-9-101. Time of taking effect - Provisions for transition.

(1) Except as otherwise provided in this section, this act takes effect at 12:01 a. m. on July 1, 1969.

(2) To the extent appropriate to permit the Administrator to prepare for operation of this act when it takes effect and to act on applications for licenses to make supervised loans under this act

(subsection (1) of Section 3-503), the part supervised loans (Part 5) of the article on loans (Article 3) and the article on administration (Article 6) takes effect upon enactment.

(3) Transactions entered into before this act takes effect and the rights, duties, and interests flowing from them thereafter may be terminated, completed, consummated, or enforced as required or permitted by any statute, rule of law, or other law amended, repealed, or modified by this act as though the repeal, amendment or modification had not occurred, but this act applies to

- (a) refinancings, consolidations, and deferrals made after this act takes effect of sales, leases, and loans whenever made;
- (b) sales or loans made after this Act takes effect pursuant to revolving charge accounts (Section 2-108) and revolving loan accounts (Section 3-108) entered into, arranged, or contracted for before this act takes effect; and
- (c) all credit transactions made before this act takes effect insofar as the article on remedies and penalties (Article 5) limits the remedies of creditors.

(4) With respect to revolving charge accounts (Section 2-108) and revolving loan accounts (Section 3-108) entered into, arranged, or contracted for before this Act takes effect, disclosure pursuant to the provisions on disclosure (Section 2-310 and Section 3-309), shall be made not later than thirty (30) days after this act takes effect.

Added by Laws 1969, c. 352, § 9-101, eff. July 1, 1969.

§14A-9-102. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§14A-9-103. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.