

1 **SENATE FLOOR VERSION**

2 February 20, 2023

3 SENATE BILL NO. 794

By: Coleman of the Senate

4 and

5 McEntire of the House

6
7
8 An Act relating to loans; amending 14A O.S. 2021,
9 Section 3-508A, which relates to loan finance charge
10 for supervised loans; allowing for certain loan rate
11 for total calculation of loan finance charge;
12 defining term; and providing an effective date.

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

14 SECTION 1. AMENDATORY 14A O.S. 2021, Section 3-508A, is
15 amended to read as follows:

16 Section 3-508A. (1) With respect to a supervised loan,
17 including a loan pursuant to a revolving loan account, a supervised
18 lender may contract for and receive a loan finance charge not
19 exceeding that permitted by this section.

20 (2) The loan finance charge, calculated according to the
21 actuarial method, may not exceed the equivalent of the greater of
22 either of the following:

23 (a) the total of:

1 (i) thirty-two percent (32%) plus the federal funds
2 rate per year on that part of the unpaid balances
3 of the principal which is Seven Thousand Dollars
4 (\$7,000.00) or less;

5 (ii) twenty-three percent (23%) plus the federal funds
6 rate per year on that part of the unpaid balances
7 of the principal which is more than Seven
8 Thousand Dollars (\$7,000.00) but does not exceed
9 Eleven Thousand Dollars (\$11,000.00); and

10 (iii) twenty percent (20%) plus the federal funds rate
11 per year on that part of the unpaid balances of
12 the principal which is more than Eleven Thousand
13 Dollars (\$11,000.00); or

14 (b) twenty-five percent (25%) plus the federal funds rate
15 per year on the unpaid balances of the principal.

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

21 (a) the loan finance charge may be calculated on the
22 assumption that all scheduled payments will be made
23 when due; and
24

1 (b) the effect of prepayment is governed by the provisions
2 on rebate upon prepayment (Section 3-210).

3 (4) In addition to the loan finance charge permitted in this
4 section and other charges permitted in this act, a supervised lender
5 may assess a lender closing fee not to exceed Twenty-eight Dollars
6 and eighty-five cents (\$28.85) upon consummation of the loan.

7 (5) The term of a loan, for the purpose of this section,
8 commences on the date the loan is made. Differences in the lengths
9 of months are disregarded and a day may be counted as one-thirtieth
10 (1/30) of a month. Subject to classifications and differentiations
11 the lender may reasonably establish, a part of a month in excess of
12 fifteen (15) days may be treated as a full month if periods of
13 fifteen (15) days or less are disregarded and if that procedure is
14 not consistently used to obtain a greater yield than would otherwise
15 be permitted.

16 (6) Subject to classifications and differentiations the lender
17 may reasonably establish, he may make the same loan finance charge
18 on all principal amounts within a specified range. A loan finance
19 charge so made does not violate subsection (2) of this section if:

20 (a) when applied to the median amount within each range,
21 it does not exceed the maximum permitted in subsection
22 (2) of this section; and

23 (b) when applied to the lowest amount within each range,
24 it does not produce a rate of loan finance charge

1 exceeding the rate calculated according to paragraph
2 (a) of this subsection by more than eight percent (8%)
3 of the rate calculated according to paragraph (a) of
4 this subsection.

5 (7) As used in this section, the "federal funds rate" means the
6 rate published by the Board of Governors of the Federal Reserve
7 System in its statistical release H.15 Selected Interest Rates and
8 in effect as of the first day of each month immediately preceding
9 the month during which the loan is consummated.

10 SECTION 2. This act shall become effective November 1, 2023.

11 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
12 February 20, 2023 - DO PASS