

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 794

By: Coleman

AS INTRODUCED

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

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

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

Section 3-508A. (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

1 of the principal which is Seven Thousand Dollars  
2 (\$7,000.00) or less;

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

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

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

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

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

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

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

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

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

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

21 (b) when applied to the lowest amount within each range,  
22 it does not produce a rate of loan finance charge  
23 exceeding the rate calculated according to paragraph  
24 (a) of this subsection by more than eight percent (8%)

1 of the rate calculated according to paragraph (a) of  
2 this subsection.

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

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

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10 59-1-721 MR 1/18/2024 9:14:37 AM