

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 108

By: Matthews

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6 AS INTRODUCED

7 An Act relating to deferred deposit loans; amending
8 59 O.S. 2011, Section 3109, as amended by Section 1,
9 Chapter 48, O.S.L. 2014 (59 O.S. Supp. 2016, Section
10 3109), which relates to determination of outstanding
11 loans; prohibiting certain loans; setting maximum
12 debt period for consumer; and providing an effective
13 date.

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

15 SECTION 1. AMENDATORY 59 O.S. 2011, Section 3109, as
16 amended by Section 1, Chapter 48, O.S.L. 2014 (59 O.S. Supp. 2016,
17 Section 3109), is amended to read as follows:

18 Section 3109. A. A lender may not enter into a renewal of a
19 deferred deposit loan transaction or make a new loan if the
20 applicant has any current outstanding deferred deposit loans. The
21 lender shall be required to wait at least twenty-four (24) hours
22 after all of the applicant's deferred deposit loans are paid off
23 before entering into a new loan.
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1 B. Upon any application being made for a deferred deposit loan,
2 the lender shall determine if the applicant has any outstanding
3 deferred deposit loans as follows:

4 1. The applicant shall be required to sign an affidavit stating
5 whether the applicant has any deferred deposit loans outstanding
6 with the lender or any other deferred deposit lender and if so, the
7 status of each such loan; and

8 2. The lender shall be required to verify the accuracy of the
9 affidavit through commercially reasonable means. A lender's method
10 of so verifying shall be considered in compliance with the
11 provisions of this section if the verification method includes a
12 manual investigation or an electronic query of:

13 a. the lender's own records, including both records
14 maintained at the location where the loan is being
15 applied for and records maintained at other locations
16 that are owned and operated by the lender or the
17 lender's affiliates, and

18 b. any private database approved by the Administrator of
19 Consumer Credit, if the lender subscribes to such a
20 database; provided, all lenders shall be required to
21 subscribe to such a database or otherwise obtain the
22 required information in a manner approved by the
23 Administrator not later than July 1, 2004. The lender
24 may charge the applicant a fee for database

1 verification not to exceed the actual fee charged to
2 the lender by the database provider.

3 If the lender determines that the applicant has more than one
4 outstanding deferred deposit loan, the loan applied for shall not be
5 made. If the lender determines that the applicant has had one or
6 more deferred deposit loans outstanding for any period totaling
7 ninety (90) days or more of indebtedness in the preceding three-
8 hundred-sixty-five-day period, the loan applied for shall not be
9 made.

10 C. A deferred deposit loan transaction is completed when the
11 deferred deposit loan transaction is paid in full after the lender
12 presents the instrument for payment or initiates an ACH debit to the
13 debtor's bank account to collect on the instrument, or the debtor
14 redeems the instrument by paying the full amount of the instrument
15 to the lender. Once the debtor has completed the deferred deposit
16 loan transaction, the lender may enter into a new deferred deposit
17 loan agreement with the debtor, and the new deferred deposit loan
18 transaction shall not be deemed to be a renewal of the previous
19 deferred deposit loan; provided, a new deferred deposit loan made
20 within thirteen (13) calendar days after a previous deferred deposit
21 loan has been entered into between the lender and the debtor shall
22 be considered a renewal and shall not be made. The maximum period
23 of consumer indebtedness in any three-hundred-sixty-five-day period
24 shall be ninety (90) days. No new deferred deposit loans shall be

1 made until a full three-hundred-sixty-five-day period has passed
2 since the pay-off date of the consumer's last deferred deposit loan.

3 D. If a debtor enters into a third consecutive loan, the lender
4 shall provide the consumer an option to repay such loan and each
5 consecutive loan pursuant to a written repayment plan subject to the
6 following terms:

7 1. The debtor shall request the repayment plan, either orally
8 or in writing, prior to the due date of the loan;

9 2. The debtor shall repay the loan in four equal installments
10 with one installment due on each of the next four dates on which the
11 customer receives regular wages or compensation from an employer,
12 pursuant to a written repayment plan agreement;

13 3. The consumer shall pay a processing fee of ten percent (10%)
14 of the principal amount of the loan per loan not to exceed Fifteen
15 Dollars (\$15.00) for administration of the payment plan;

16 4. The consumer shall agree not to enter into any additional
17 deferred ~~presentment~~ deposit loans during the repayment plan term
18 and for a period of fifteen (15) days after termination of the
19 repayment plan term and for any additional period which totals
20 ninety (90) days of indebtedness in a three-hundred-sixty-five-day
21 period; and

22 5. Upon positive completion of the repayment plan, the lender
23 shall report the debtor's positive payment history to at least one
24 national consumer credit reporting agency.

1 E. A lender shall negotiate or present an instrument for
2 payment only if the instrument is endorsed with the actual business
3 name of the lender.

4 F. Prior to the lender negotiating or presenting the
5 instrument, the debtor shall have the right to redeem any instrument
6 held by a lender as a result of a deferred deposit loan if the
7 debtor pays to the lender the unpaid balance of the principal and
8 all accrued fees and charges.

9 SECTION 2. This act shall become effective November 1, 2017.

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