

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL 692

By: Smalley

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6 AS INTRODUCED

7 An Act relating to loans; creating the Consumer  
8 Access Line of Credit Loan Act; providing short  
9 title; defining terms; authorizing CALC loan  
10 products; requiring finance charges on CALC loans;  
11 setting percentage of finance per certain amount;  
12 authorizing daily transaction fee; mandating ability  
13 to pay analysis; requiring credit report be analyzed;  
14 providing for no-cost conversion of certain loans;  
15 stating division of principal for no-cost plan;  
16 limiting no-cost conversion plan per year; proving  
17 for periodic payments; setting minimum amount of  
18 periodic payment to reduce principal amount; setting  
19 billing cycle term; directing certain report to  
20 credit bureau; limiting number of CALC loans;  
21 providing database for open CALC loans; requiring the  
22 Administrator of Consumer Credit to administer  
23 database; directing promulgation of rules; making  
24 database confidential; allowing release of aggregate  
25 data for certain purposes; requiring lenders to be  
26 licensed; providing for license procedure by rule;  
27 providing for codification; and providing an  
28 effective date.

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

31 SECTION 1. NEW LAW A new section of law to be codified  
32 in the Oklahoma Statutes as Section 7-100 of Title 14A, unless there  
33 is created a duplication in numbering, reads as follows:  
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1 This act shall be known and may be cited as the "Consumer Access  
2 Line of Credit (CALC) Loan Act".

3 SECTION 2. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 7-100.1 of Title 14A, unless  
5 there is created a duplication in numbering, reads as follows:

6 A. For purposes of this act:

7 1. "CALC loan" means a pre-approved loan account established as  
8 an open-end line of credit in a predetermined maximum amount for a  
9 subprime or non-prime customer who otherwise is ineligible for a  
10 bank-issued credit card; and

11 2. "Open-end line of credit" means an account with a  
12 preapproved maximum amount of money credited to such account from  
13 which the consumer may at any time draw out funds in any amount up  
14 to the maximum amount and repay such funds in a periodic manner  
15 similar to a revolving credit card.

16 B. Consumers of CALC loans shall pay a finance charge on the  
17 amount of funds drawn out from his or her credit account at a rate  
18 of prime plus fifteen percent (15%) per year to be calculated as  
19 simple daily interest, and shall pay a daily transaction fee of  
20 forty-five cents (\$0.45) per One Hundred Dollars (\$100.00) of the  
21 loan balance for each day the loan balance remains unpaid.

22 C. Every lender offering a CALC loan is required to perform an  
23 ability-to-pay analysis on each CALC loan customer to ensure the  
24 customer can afford to pay any periodic billing amounts required to

1 be repaid up to the maximum amount of the credit account without  
2 undue hardship or default. The affordability analysts shall require  
3 obtaining and analysis of at least one national credit bureau report  
4 together with other verified documents reporting the customer's  
5 income and liabilities and reasonable ability to repay the CALC  
6 loan. In the event a CALC loan customer has difficulty repaying the  
7 amount borrowed under the line of credit account, the customer may  
8 request in writing that the unpaid balance be converted to a no-cost  
9 repayment plan. A no-cost repayment plan shall consist of four to  
10 six equal payments of the unpaid principal amount which is added to  
11 amount calculated and required to repay the loan without  
12 accumulation of further interest, penalty or fees. A no-cost  
13 repayment plan shall only be available once per year per customer,  
14 and shall be reported to the data-base maintained by the Department  
15 of Consumer Credit and national credit bureaus. The no-cost plan  
16 shall not be automatic and shall be determined by the lender based  
17 upon the customer receiving credit counseling as provided by rule.

18 D. For purposes of periodic billing, each CALC lender shall set  
19 minimum periodic payments which will reduce the outstanding  
20 principal balance by five percent (5%) each billing cycle. No CALC  
21 lender shall accept interest only payments pursuant to this act.  
22 Each billing cycle shall be not less than twenty-one (21) days.

23 E. Every customer with a CALC loan who successfully manages and  
24 repays his or her loan balance in full shall have such successful

1 payment history reported to a national credit bureau so the customer  
2 may develop a positive credit history.

3 F. A CALC loan customer shall only be allowed one CALC loan  
4 with an unpaid balance at a time. Every CALC lender shall be  
5 required to check the state-approved database administered by the  
6 Administrator of Consumer Credit to make sure a customer applying  
7 for a CALC loan has no other open-end line of credit with an unpaid  
8 balance.

9 G. The Administrator of Consumer Credit shall promulgate rules  
10 to implement and enforce the provisions of this act including, but  
11 not limited to, requiring CALC lenders to provide financial  
12 education to its customers and to work with non-profit credit  
13 counseling agencies to reduce and avoid customer defaults on CALC  
14 loans.

15 H. The Administrator of Consumer Credit shall maintain a  
16 statewide database that includes all CALC loans opened in this state  
17 and their monthly balances and lender information. Except as  
18 provided for lender verification of open CALC loans, all information  
19 in the loan database shall be confidential from public distribution.  
20 Only aggregate data shall be utilized for research purposes or  
21 reporting data to public sources.

22 I. A lender desiring to offer CALC loan products shall be  
23 required to be licensed and to remain in compliance with the rules  
24 and laws relating to this act. The Administrator of Consumer Credit

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shall develop rules for forms, application, licensure and procedures  
and fees.

SECTION 3. This act shall become effective November 1, 2019.

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