SENATE BILL NO. 692   By: Smalley

AS INTRODUCED

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

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

SECTION 1.   NEW LAW   A new section of law to be codified

in the Oklahoma Statutes as Section 7-100 of Title 14A, unless there

is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Consumer Access Line of Credit (CALC) Loan Act".

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

A.   For purposes of this act:

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

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

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

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

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

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

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

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

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

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

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

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

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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