

**TITLE 160. DEPARTMENT OF CONSUMER CREDIT
CHAPTER 5. FEES [AMENDED]**

RULEMAKING ACTION:

Rule Impact Statement

BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES:

The proposed emergency rule amendments establish all fees authorized by the Uniform Consumer Credit Code, the Credit Services Organization Act, the Oklahoma Pawnshop Act, the Precious Metal and Gem Dealer Licensing Act, the Oklahoma Rental-Purchase Act, the Oklahoma Health Spa Act, the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and the Deferred Deposit Lending Act. Prior to July 1, 2011, the Commission on Consumer Credit is required to establish authorized fees collected by the Department of Consumer Credit by emergency rule in accordance with 14A O.S. § 6-302.

The proposed emergency rule amendments increase existing annual license fees by One Hundred Dollars (\$100.00). The proposed emergency rule amendments increase existing examination and investigation fees by Two Hundred Dollars (\$200.00) for each fee.

The proposed emergency rule amendments establish late filing, license or registration renewal fees for supervised lenders, persons filing notification, credit service organizations, pawnbrokers, precious metal dealers and employees, health spas, mortgage brokers, mortgage loan originators and deferred deposit lenders at Ten Dollars (\$10.00) per day up to thirty (30) days for each day a license, notification or registration renewal fee is past due. The proposed emergency rule amendments impose a Fifty Dollar (\$50.00) late annual report fee for supervised lenders and deferred deposit lenders.

The proposed emergency rule amendments also establish the following new fees (fees not existing prior to July 1, 2010): Ten Dollar (\$10.00) per day late filing, license or registration renewal fee for persons required to file notification with the Administrator in accordance with the Uniform Consumer Credit Code, credit service organizations, pawnbrokers, health spas and deferred deposit lenders; Twenty-Five Dollar (\$25.00) fee for amended and duplicate licenses or registrations for credit service organizations, pawnbrokers, precious metal and gem dealers and employees, rental purchase lessors, health spas and deferred deposit lenders; Twenty-Five Dollar (\$25.00) fee for returned checks due to insufficient bank account funds for credit service organizations, pawnbrokers, precious metal and gem dealers and employees, rental purchase lessors, health spas and deferred deposit lenders; One Hundred Dollar (\$100.00) contract reviewal fee for rental purchase lessors and health spas; Two Hundred Dollar (\$200.00) application fee for mortgage loan originators; Fifty Dollar (\$50.00) examination fee for mortgage loan originators and a Two Hundred Dollar (\$200.00) investigation fee for rental purchase lessors and health spas.

The proposed emergency rule amendments also decrease the fee paid by mortgage brokers and mortgage loan originators for deposit in the Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund. The existing fee of Fifty Dollars (\$50.00) will be decreased to Ten Dollars (\$10.00).

DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULE, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULE, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES:

Supervised lenders, persons required to file notification to engage in consumer credit sales, consumer leases or consumer loans in the State of Oklahoma, credit services organizations, pawnbrokers, precious metal and gem dealers and employees, rental purchase lessors, health spas, mortgage brokers, mortgage loan originators and deferred deposit lenders (“licensees”) will be affected by the proposed rules and will bear the costs of the proposed rules. The Department has not received information on cost impacts from any private or public entities.

DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES:

Licensees and the Department of Consumer Credit (Department”) will benefit from the proposed rules.

DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULE UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE:

The probable economic impact of the proposed rules are as follows based on a proposed \$200.00 increase in annual examination fees and a proposed \$100.00 increase in annual license fees: Entities or individuals currently licensed as supervised lenders, credit services organizations, pawnbrokers, precious metal and gem dealers , rental purchase lessors, health spas, mortgage brokers and deferred deposit lenders will incur additional yearly costs of \$300.00 on average; entities or individuals that have filed notification with the Administrator to make consumer credit sales, consumer leases or consumer loans will incur additional yearly costs of \$100.00 on average; entities currently licensed as mortgage brokers will incur additional yearly costs of \$260.00 (fees required to be paid by mortgage brokers for deposit in the Oklahoma Mortgage Broker and Loan Originator Recovery Fund will be decreased by \$40.00) on average; individuals currently licensed as mortgage loan originators will incur additional yearly costs of \$110.00 (fees required to be paid by mortgage loan originators for deposit in the Oklahoma Mortgage Broker and Loan Originator Recovery Fund will be decreased by \$40.00) on average.

New applicants for supervised lender licenses, credit services organizations, pawnbrokers, precious metal and gem dealers, rental purchase lessors, health spas, mortgage brokers, mortgage loan originators and deferred deposit lenders will pay an additional \$200.00 for initial licenses and registrations based on a proposed \$200.00 increase in application or investigation fees.

A list of all fee changes, and if possible, a separate justification for each fee change follows:

Supervised lenders: \$290.00 annual license fee; \$425.00 investigation fee; \$10.00 per day late fee for thirty (30) days for late license renewals; \$500.00 examination fee; \$50.00 late annual report fee.

Notification filings: \$120.00 annual filing fee for each business location; \$10.00 per day late fee for thirty (30) days for late filing renewals.

Pawnbrokers: \$240.00 annual license fee; \$325.00 investigation fee; \$400.00 examination fee; \$25.00 amended or duplicate license fee; \$25.00 returned check fee; \$10.00 per day late fee for thirty (30) days for late license renewals.

Rental purchase lessors: \$200.00 annual license fee; \$200.00 investigation fee; \$400.00 examination fee; \$100.00 per contract reviewal fee for each rental purchase agreement that is submitted to the Administrator for review and approval; \$25.00 amended or duplicate license fee; \$25.00 returned check fee.

Health spas: \$300.00 annual registration fee; \$200.00 investigation fee; \$100.00 per contract reviewal fee for each health spa contract that is submitted to the Administrator

for review and approval; \$10.00 per day late fee for thirty (30) days for late registration renewals; \$25.00 amended or duplicate registration fee; \$25.00 returned check fee.
Credit services organizations: \$200.00 annual license fee; \$300.00 investigation fee; \$25.00 amended or duplicate license fee; \$400.00 examination fee; \$25.00 returned check fee; \$10.00 per day late fee for thirty (30) days for late license renewals; \$25.00 amended or duplicate registration fee; \$25.00 returned check fee.
Precious Metals and Gem Dealers: \$300.00 annual license fee for precious metal and gem dealers; \$200.00 annual license fee for precious metal and gem dealer employees; \$425.00 investigation fee; \$10.00 per day late fee for thirty (30) days for late license renewals; \$25.00 amended or duplicate license fee; \$25.00 return check fee.
Mortgage brokers: \$950.00 application fee; \$200.00 annual license fee; \$10.00 per day late fee for thirty (30) days for late license renewals; \$150.00 mortgage broker branch office license fee; \$150.00 inactive status fee; \$25.00 amended or duplicate license fee returned check fee; \$10.00 Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund fee; \$500.00 examination fee.
Mortgage loan originators: \$200.00 annual license fee; \$200.00 application fee; \$50.00 examination fee; \$150.00 inactive status fee; \$10.00 Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund fee; \$10.00 per day late fee for thirty (30) days for late license renewals; \$25.00 amended or duplicate license fee; \$25.00 return check fee.
Deferred deposit lenders: \$350.00 annual license fee; \$700.00 investigation fee; \$500.00 examination fee; \$10.00 per day late fee for thirty (30) days for late license renewals; \$50.00 annual report late fee; \$25.00 fee for each license change, duplicate license or returned check.

PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULE, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULE, AND ANY ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN SUCH REVENUES IF IT CAN BE PROJECTED BY THE AGENCY:

There are no costs to the Department. There are no costs or benefits to any other agency.

The proposed fees will benefit the Department by allowing the Department to replace employees that have left the Department and could not be replaced during the past fiscal year due to the financial difficulties of the Department. The proposed fees will cover the Department's travel costs for conducting examinations and will make examinations and licensing more efficient.

Examinations will become more efficient because the additional fees will cover travel costs, which will allow examiners to conduct field examinations once again. Additional fees will also allow the Department to hire additional examiners to ease the workload of existing examiners and reduce the time needed to complete examinations.

Additional fees will also make licensing more efficient. The additional fees will allow the Department to hire additional licensing staff to review and process applications, which will reduce the amount of time required to review and process applications. Additional licensing staff will also allow examiners to concentrate on conducting examinations instead of assisting with licensing issues. The additional fees from the proposed rules will also allow the

Department to cover the costs involved in processing licenses, processing licensing changes, investigating applications and reviewing contracts.

Revenue is not needed for implementation and enforcement of the proposed rules. The proposed rules are anticipated to increase state revenue by \$308,000.00. The proposed rules are also anticipated to increase Department revenue by \$720,531.00.

DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULE WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR REQUIRE THEIR COOPERATION IN IMPLEMENTING OR ENFORCING THE RULE:

There is not an economic impact on any political subdivision from the proposed rules. Cooperation from any political subdivision is not required in implementing or enforcing the proposed rules.

DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULE WILL HAVE AN ADVERSE EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT:

The Oklahoma Small Business Regulatory Flexibility Act does not apply to emergency rules.

EXPLANATION OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES:

The Department has eliminated the additional examination fee for examinations exceeding eight (8) hours in length that were applicable to certain licensees. The Department is also proposing a \$40.00 reduction in the fees paid by mortgage brokers and mortgage loan originators for deposit in the Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery fund to offset examination and license fee increases for mortgage brokers and mortgage loan originators. There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules.

DETERMINATION OF THE EFFECT OF THE PROPOSED RULE ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT AND, IF THE PROPOSED RULE IS DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULE WILL REDUCE THE RISK:

The proposed rules do not affect the public health, safety and environment. The proposed rules are not designed to reduce significant risks to the public health, safety and environment.

DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULE IS NOT IMPLEMENTED:

There will not be a detrimental effect on the public health, safety and environment if the proposed rules are not implemented.

DATE THE RULE IMPACT STATEMENT WAS PREPARED AND IF MODIFIED, THE DATE MODIFIED:

July 30, 2010, modified August 4, 2010 to include each fee change for deferred deposit lenders that was omitted in the July 30, 2010 rule impact statement.