**Scott Lesher**
Administrator

**Ruben Tornini**
Deputy Administrator

**Mary Fallin**
Governor

**Todd Lamb**
Lt. Governor

**STATE OF OKLAHOMA**
**DEPARTMENT OF CONSUMER CREDIT**

May 30, 2014

Re: Senate Bill 1698, amendments to the Uniform Consumer Credit Code

Dear licensee:

Governor Mary Fallin signed Senate Bill 1698 on May 13, 2014, which amends the Uniform Consumer Credit Code regarding the finance charges that may be imposed on supervised loans made in accordance with 14A O.S. § 3-508A. The effective date of Senate Bill 1698 is August 21, 2014. If a supervised loan is made pursuant to 14A O.S. § 3-508A prior to the effective date of Senate Bill 1698, the rate structure in effect at the time the supervised loan is made will remain effective for the life of the loan even though the rate structure will be revised upon the effective date of Senate Bill 1698.

***Dollar amounts subject to change***

Senate Bill 1698 amends 14A O.S. § 1-106 by removing the dollar amounts of 14A O.S. § 3-508A (2)(a) that are subject to change. Upon the effective date of Senate Bill 1698, the dollar amounts provided in 14A O.S. § 3-508A (2)(a) are set forth in 14A O.S. § 3-508A (2)(a) and will not be subject to change on an annual basis.

***Loan finance charges***

Senate Bill 1698 adjusts the loan finance charges that may be imposed by supervised lenders that make loans in accordance with 14A O.S. § 3-508A. Supervised loans made in accordance with 14A O.S. § 3-508A between the current date through the effective date of Senate Bill 1698 will vary in terms of the applicable dollar amounts and loan finance charges, depending on the date in which the supervised loan was made.

***Variance of applicable dollar amounts and loan finance charges regarding supervised loans made pursuant to 14A O.S. § 3-508A from the current date through the effective date of Senate Bill 1698***

(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.

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(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 percent (30%) per year on that part of the unpaid balances of the principal which is $1,440.00 or less- ***Loans made through June 30, 2014.***

thirty percent (30%) per year on that part of the unpaid balances of the principal which is $1,470.00 or less- ***Loans made from July 1, 2014 until the effective date of Senate Bill 1698.***

Twenty-seven percent (27%) per year on that part of the unpaid balances of the principal which is $2,910.00 or less- ***Loans made on the effective date of Senate Bill 1698 and thereafter.***

(ii) twenty-one percent (21%) per year on that part of the unpaid balances of the principal which is more than $1,440.00 but does not exceed $4,800.00-***Loans made through June 30, 2014.***

twenty-one percent (21%) per year on that part of the unpaid balances of the principal which is more than $1,470.00 but does not exceed $4,900.00-***Loans made from July 1, 2014 until the effective date of Senate Bill 1698.***

twenty-three percent (23%) per year on that part of the unpaid balances of the principal which is more than $2,910.00 but does not exceed $6,200.00-***Loans made on the effective date of Senate Bill 1698 and thereafter.***

(iii) fifteen percent (15%) per year on that part of the unpaid balances of the principal which is more than $4,800.00-***Loans made through June 30, 2014.***

fifteen percent (15%) per year on that part of the unpaid balances of the principal which is more than $4,900.00-***Loans made from July 1, 2014 until the effective date of Senate Bill 1698.***

twenty percent (20%) per year on that part of the unpaid balances of the principal which is more than $6,200.00-***Loans made on the effective date of Senate Bill 1698 and thereafter.***

Or

(b) twenty-one percent (21%) per year on the unpaid balances of the principal-***Loans made from the current date until the effective date of Senate Bill 1698.***

twenty-five percent (25%) per year on the unpaid balances of the principal-***Loans made on and after the effective date of Senate Bill 1698.***

***Minimum loan term***

Senate Bill 1698 also amends 14A O.S. § 3-508A (4) by imposing a minimum loan term of twelve (12) months for supervised loans made pursuant to 14A O.S. § 3-508A. Supervised loans made in accordance with 14A O.S. § 3-508A on and after the effective date of Senate Bill 1698 must have a minimum loan term of twelve (12) months.