

## SENATE FLOOR AMENDMENT

Second Reading

BY SENATOR Lundeen

1 Amend reengrossed bill, page 5, strike lines 13 through 27 and substitute:

2 "SECTION 2. In Colorado Revised Statutes, **add** 5-2-215 as  
3 follows:

4 **5-2-215. Consumer lending laws study - definitions - report -**  
5 **repeal.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
6 REQUIRES:

7 (a) "ADMINISTRATOR" MEANS THE ADMINISTRATOR DESIGNATED  
8 IN SECTION 5-6-103.

9 (b) "STUDY" MEANS THE CONSUMER LENDING LAWS STUDY  
10 REQUIRED BY SUBSECTION (2) OF THIS SECTION.

11 (2) ON OR BEFORE DECEMBER 31, 2023, THE ADMINISTRATOR  
12 SHALL COMPLETE A STUDY OF THE ECONOMIC AND SOCIAL IMPACT THAT  
13 WILL RESULT IF COLORADO MAKES AMENDMENTS TO THE "UNIFORM  
14 CONSUMER CREDIT CODE", INCLUDING:

15 (a) A DECLARATION THAT THE AMENDMENTS TO THE "FEDERAL  
16 DEPOSIT INSURANCE ACT", 12 U.S.C. SEC. 1811 ET SEQ.; THE FEDERAL  
17 "NATIONAL HOUSING ACT", 12 U.S.C. SEC. 1701 ET SEQ.; AND THE  
18 "FEDERAL CREDIT UNION ACT", 12 U.S.C. SEC. 1757, MADE BY SECTIONS  
19 521 TO 523 OF THE FEDERAL "DEPOSITORY INSTITUTIONS DEREGULATION  
20 AND MONETARY CONTROL ACT OF 1980", PUB.L. 96-221, PRESCRIBING  
21 INTEREST RATES AND PREEMPTING STATE INTEREST RATES DO NOT APPLY  
22 TO CONSUMER CREDIT TRANSACTIONS IN THIS STATE;

23 (b) AMENDING SECTION 5-2-201 TO:

24 (I) REQUIRE THAT THE AMOUNT OF THE FINANCE CHARGE,  
25 PURSUANT TO SECTION 5-2-201 (2), CALCULATED ACCORDING TO THE  
26 ACTUARIAL METHOD, MUST NOT EXCEED THE EQUIVALENT OF THE  
27 GREATER OF EITHER OF THE FOLLOWING:

28 (A) THE TOTAL OF: AN AMOUNT EQUAL TO THIRTY-SIX PERCENT  
29 PER YEAR ON THAT PART OF THE UNPAID BALANCES OF THE AMOUNT  
30 FINANCED THAT IS ONE THOUSAND DOLLARS OR LESS, MINUS THE TOTAL  
31 COST OF ALL ADDITIONAL CHARGES LISTED IN SECTION (2)(b)(III) OF THIS  
32 SECTION; AN AMOUNT EQUAL TO TWENTY-ONE PERCENT PER YEAR ON  
33 THAT PART OF THE UNPAID BALANCES OF THE AMOUNT FINANCED THAT IS  
34 MORE THAN ONE THOUSAND DOLLARS BUT DOES NOT EXCEED THREE  
35 THOUSAND DOLLARS, MINUS THE TOTAL COST OF ALL ADDITIONAL  
36 CHARGES LISTED IN SUBSECTION (2)(b)(III) OF THIS SECTION; AND AN  
37 AMOUNT EQUAL TO FIFTEEN PERCENT PER YEAR ON THAT PART OF THE  
38 UNPAID BALANCES OF THE AMOUNT FINANCED THAT IS MORE THAN THREE  
39 THOUSAND DOLLARS, MINUS THE TOTAL COST OF ALL ADDITIONAL  
40 CHARGES LISTED IN SUBSECTION (2)(b)(III) OF THIS SECTION; OR

1 (B) AN AMOUNT EQUAL TO TWENTY-ONE PERCENT PER YEAR ON  
2 THE UNPAID BALANCES OF THE AMOUNT FINANCED, MINUS THE TOTAL  
3 COST OF ALL ADDITIONAL CHARGES LISTED IN SUBSECTION (2)(b)(III) OF  
4 THIS SECTION;

5 (II) REQUIRE THAT, EXCEPT AS PROVIDED IN SECTION 5-2-201  
6 (3)(b), THE TOTAL AMOUNT OF THE FINANCE CHARGE FOR A SUPERVISED  
7 LOAN OR CONSUMER CREDIT SALE PURSUANT TO A REVOLVING CREDIT  
8 ACCOUNT, CALCULATED ACCORDING TO THE ACTUARIAL METHOD, MAY  
9 NOT EXCEED TWENTY-ONE PERCENT PER YEAR ON THE UNPAID BALANCE  
10 OF THE AMOUNT FINANCED, MINUS THE TOTAL COST OF ALL ADDITIONAL  
11 CHARGES LISTED IN SUBSECTION (2)(b)(III) OF THIS SECTION;

12 (III) REQUIRE THAT, IF A SUPERVISED LENDER OR SELLER  
13 CONTRACTS FOR ANY OF THE FOLLOWING CHARGES, THE TOTAL AMOUNT  
14 OF ALL OF THE CHARGES MUST BE INCLUDED IN THE CALCULATION OF THE  
15 FINANCE CHARGE PURSUANT TO SUBSECTIONS (2)(b)(II) AND (2)(b)(III) OF  
16 THIS SECTION:

17 (A) ANY CREDIT INSURANCE PREMIUM OR FEE, ANY CHARGE FOR  
18 SINGLE PREMIUM CREDIT INSURANCE, ANY FEE FOR A DEBT CANCELLATION  
19 CONTRACT, OR ANY FEE FOR A DEBT SUSPENSION AGREEMENT;

20 (B) ANY OTHER CHARGES FOR INSURANCE LISTED IN SECTION  
21 5-2-202 (1)(b) AND (3);

22 (C) ANY FEE FOR A CREDIT-RELATED ANCILLARY PRODUCT SOLD  
23 IN CONNECTION WITH THE CREDIT TRANSACTION;

24 (D) ANY APPLICATION FEE CHARGED TO A CONSUMER WHO APPLIES  
25 FOR CONSUMER CREDIT; AND

26 (E) CHARGES FOR OTHER BENEFITS CONFERRED ON THE CONSUMER  
27 AS DESCRIBED IN SECTION 5-2-202 (1)(d);

28 (c) AMENDING SECTION 5-2-214 TO:

29 (I) REQUIRE, FOR A CONSUMER LOAN WHERE THE AMOUNT  
30 FINANCED IS NOT MORE THAN ONE THOUSAND DOLLARS, PURSUANT TO  
31 SECTION 5-2-214 (1), THAT A SUPERVISED LENDER MAY CHARGE, IN LIEU  
32 OF THE LOAN FINANCE CHARGES PERMITTED BY SECTION 5-2-201, THE  
33 FOLLOWING FINANCE CHARGES:

34 (A) AN ACQUISITION CHARGE FOR MAKING THE ORIGINAL LOAN OR  
35 ANY REFINANCED LOAN, NOT TO EXCEED FIVE PERCENT OF THE AMOUNT  
36 FINANCED;

37 (B) A MONTHLY INSTALLMENT ACCOUNT HANDLING CHARGE, NOT  
38 TO EXCEED THE FOLLOWING AMOUNTS:

39	AMOUNT FINANCED	PER MONTH CHARGE
40	\$100.00 - \$300	\$3.00
41	\$300.01 - \$500	\$6.00
42	\$500.01 - \$750	\$9.00
43	\$750.01 - \$1,000	\$12.00

44 (II) REQUIRE THAT THE MINIMUM TERM OF A LOAN MADE  
45 PURSUANT TO SECTION 5-2-214 IS SIX MONTHS. THE MAXIMUM TERM OF

1 A LOAN MADE PURSUANT TO SECTION 5-2-214 IS TWELVE MONTHS. ALL  
2 LOANS SHALL BE SCHEDULED TO BE PAYABLE IN SUBSTANTIALLY EQUAL  
3 INSTALLMENTS AT EQUAL PERIODIC INTERVALS.

4 (III) REQUIRE THAT ON A LOAN SUBJECT TO THE ALTERNATIVE  
5 CHARGES AUTHORIZED BY SECTION 5-2-214, NO OTHER FINANCE CHARGE  
6 OR ANY OTHER CHARGE OR FEE IS PERMITTED EXCEPT AS SPECIFICALLY  
7 PROVIDED FOR IN SECTION 5-2-214 AND EXCEPT FOR REASONABLE  
8 ATTORNEY FEES PROVIDED FOR IN SECTION 5-5-112 AND THE FEE FOR A  
9 DISHONORED CHECK PROVIDED FOR IN SECTION 5-2-202 (1)(e)(II);

10 (IV) REPEAL THE PROVISION THAT THE ACQUISITION CHARGE  
11 AUTHORIZED IN SECTION 5-5-112 SHALL BE FULLY EARNED AT THE TIME  
12 THE LOAN IS MADE AND SHALL NOT BE SUBJECT TO REFUND; EXCEPT THAT,  
13 IF THE LOAN IS PREPAID IN FULL, REFINANCED, OR CONSOLIDATED WITHIN  
14 THE FIRST SIXTY DAYS, THE FIRST TEN DOLLARS OF THE ACQUISITION  
15 CHARGE SHALL BE RETAINED BY THE LENDER AND THE REMAINDER OF THE  
16 ACQUISITION CHARGE SHALL BE REFUNDED AT A RATE OF ONE-SIXTIETH OF  
17 THE REMAINDER OF THE ACQUISITION CHARGE PER DAY, BEGINNING ON  
18 THE DAY AFTER THE DATE OF THE PREPAYMENT, REFINANCING, OR  
19 CONSOLIDATION AND ENDING ON THE SIXTIETH DAY AFTER THE LOAN WAS  
20 MADE;

21 (V) REQUIRE THAT UPON PREPAYMENT OF A LOAN MADE  
22 PURSUANT TO SECTION 5-2-214, THE UNEARNED PORTION OF THE  
23 ACQUISITION CHARGE AND THE TOTAL MONTHLY INSTALLMENT HANDLING  
24 CHARGE SHALL BE REFUNDED TO THE CONSUMER. THE UNEARNED PORTION  
25 OF THESE CHARGES SHALL BE CALCULATED PURSUANT TO THE PROVISIONS  
26 ON REBATE UPON PREPAYMENT CONTAINED IN SECTION 5-2-211 ON THE  
27 DATE OF REFINANCING; EXCEPT THAT, FOR THE PURPOSE OF COMPUTING  
28 THIS AMOUNT, A MINIMUM FINANCE CHARGE DESCRIBED IN SECTION  
29 5-2-201 OF NO MORE THAN TEN DOLLARS IS ALLOWED IF CONTRACTED  
30 WITH THE CONSUMER IN THE LOAN AGREEMENT.

31 (VI) REQUIRE THAT:

32 (A) A LENDER SHALL REQUIRE A CONSUMER TO FILL OUT A LOAN  
33 APPLICATION FOR EVERY LOAN UNDER SECTION 5-2-214 AND SHALL  
34 MAINTAIN THE APPLICATION ON FILE. THE APPLICATION MUST BE SIGNED  
35 AND DATED BY THE CONSUMER.

36 (B) A LENDER SHALL REQUIRE THE CONSUMER TO PROVIDE A PAY  
37 STUB OR OTHER EVIDENCE OF INCOME IN EVERY APPLICATION FOR A LOAN  
38 UNDER THIS SECTION AND SHALL MAINTAIN THIS APPLICATION ON FILE.  
39 THE PAY STUB OR OTHER EVIDENCE OF INCOME MUST HAVE BEEN ISSUED  
40 OR DATED WITHIN FORTY-FIVE DAYS BEFORE THE DATE OF THE  
41 APPLICATION. IF A LENDER REQUIRES A CONSUMER TO PRESENT A BANK  
42 STATEMENT TO SECURE A LOAN, THE LENDER SHALL ALLOW THE  
43 CONSUMER TO DELETE FROM THE STATEMENT THE INFORMATION  
44 REGARDING TO WHOM THE DEBITS LISTED ON THE STATEMENT WERE  
45 PAYABLE. IF THE AMOUNT BORROWED IS NOT MORE THAN TWENTY-FIVE

1 PERCENT OF THE CONSUMER'S MONTHLY GROSS INCOME AND BENEFITS, AS  
2 EVIDENCED BY A PAYCHECK STUB OR OTHERWISE SUBSTANTIATED, A  
3 LENDER IS NOT OBLIGATED TO INVESTIGATE THE CONSUMER'S CONTINUED  
4 DEBT POSITION, AND THE CONSUMER'S ABILITY TO REPAY THE LOAN NEED  
5 NOT BE FURTHER DEMONSTRATED.

6 (C) IF A LENDER COMPLIES WITH THE REQUIREMENTS OF  
7 SUBSECTIONS (2)(b)(VI)(A) AND (2)(b)(VI)(B) OF THIS SECTION, AND THE  
8 LOAN OTHERWISE COMPLIES WITH THIS ARTICLE 2 OF THIS TITLE 5 AND  
9 OTHER APPLICABLE LAW, NEITHER THE CONSUMER'S INABILITY TO REPAY  
10 THE LOAN NOR THE LENDER'S DECISION TO OBTAIN OR NOT OBTAIN  
11 ADDITIONAL INFORMATION CONCERNING THE CONSUMER'S  
12 CREDITWORTHINESS SHALL BE CAUSE TO DETERMINE THAT A LOAN IS  
13 UNCONSCIONABLE; AND

14 (VII) REQUIRE THAT A LENDER MAY NOT REFINANCE A LOAN MADE  
15 PURSUANT TO SECTION 5-2-214 MORE THAN ONCE IN ONE YEAR.

16 (3) ON OR BEFORE FEBRUARY 31, 2024, THE ADMINISTRATOR  
17 SHALL SUBMIT A REPORT TO THE HOUSE OF REPRESENTATIVES FINANCE  
18 COMMITTEE AND THE SENATE FINANCE COMMITTEE, OR THEIR SUCCESSOR  
19 COMMITTEES. THE REPORT MUST INCLUDE THE STUDY'S RESEARCH,  
20 FINDINGS, AND RECOMMENDATIONS, IN ACCORDANCE WITH SUBSECTION  
21 (2) OF THIS SECTION.

22 (4) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2024."

23 Page 6, strike line 1.

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