

Second Regular Session

Sixty-second General Assembly

LLS NO. 00-0587.01 Dan Cartin

HOUSE BILL 00-1185

STATE OF COLORADO

BY REPRESENTATIVE Berry;
also SENATOR Matsunaka

PREAMENDED

A BILL FOR AN ACT

101 CONCERNING THE "UNIFORM CONSUMER CREDIT CODE".

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

[Drafting note: This bill repeals and reenacts articles 1 to 6 of title 5, Colorado Revised Statutes, the "Uniform Consumer Credit Code" (UCCC). The repeal and reenactment is based upon the recommendations of the UCCC revision committee contained in the "Report of the Uniform Consumer Credit Code Revision Committee and Actions of the Colorado Commission on Consumer Credit" dated November 30, 1999, and prepared by the UCCC administrator.]

Repeals and reenacts certain provisions of the "Uniform Consumer Credit Code" (UCCC). Makes various revisions, modifications, and additions to UCCC provisions governing:

- The scope and jurisdiction of the UCCC and, specifically, the consumer credit transactions made in Colorado that are governed by the UCCC;
- Maximum finance charges and fees, including a modification of finance charges on a lender or seller credit card issued by a credit card bank or financial institution;
- Supervised loans and supervised lenders, including the provisions on notification filings, license fees, applications for branch location licenses, and other administrative fees that may be established by rule; the grounds for administrative action against, or for denial of, a supervised lender's license; the administrative disciplinary action that may be taken against a creditor; the conformance of such actions to the standards and procedures of the "State

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

Administrative Procedure Act" for such actions; and supervised lenders engaging in another business for the purpose of evading the UCCC or requiring the purchase of any goods or services as a condition of the extension of credit;

- The regulation of agreements and practices, including the conforming of the UCCC's consumer credit disclosures to those requirements of the federal "Truth in Lending Act" (TILA) and the federal "Consumer Leasing Act"; the disclosures required regarding the effect of untimely payments on real estate secured consumer credit transactions; and establishment of a general record-keeping requirement for all creditors;
- The limitations on creditors remedies, including the right of a cosignor to a right to cure notice in connection with an acceleration of the balance due against or making a credit report;
- The powers and functions of the UCCC administrator, including the provisions on creditor actions in reliance on UCCC rules or "safe harbor"; assurances of discontinuance and the requirements the administrator may impose in connection with such an assurance; the factors utilized in an action to determine whether a creditor has made an unconscionable agreement or engaged in fraudulent or unconscionable conduct; and the statute of limitations for civil actions relating to excess charges and the finance charge refunds and consumer penalties recoverable in such an action;
- The council of advisors on consumer credit, including the composition and duties of the council.

Makes other revisions, particularly with regard to eliminating the distinction between credit sales and consumer loans, that are consistent with the 1974 model UCCC act of the national conference of commissioners on uniform state laws.

Makes technical changes to the definition of "organization" to include corporations, limited liability companies, governments or governmental subdivisions or agencies, trusts, estates, partnerships, limited liability partnerships, cooperatives, or associations. Adds a definition of "regularly" that conforms to the TILA definition and a definition of "written" that includes paper, electronic, digital, magnetic, optical, and electronic records.

Clarifies certain provisions relating to when charges and terms must be contracted for in a written agreement that the consumer may

retain.

Modifies the UCCC cost of credit disclosure provisions to require that such disclosure be consistent with the TILA, the federal "Consumer Leasing Act", and any regulation pursuant to those Acts.

Repeals the commission on consumer credit.

Creates a subcommittee of the council of advisors on consumer credit for the purpose of reviewing, repealing, amending, or modifying any rule promulgated by the administrator.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Articles 1 to 6 of title 5, Colorado Revised Statutes,
3 are REPEALED AND REENACTED, WITH AMENDMENTS, to read:

4 **ARTICLE 1**

5 **General Provisions and Definitions**

6 **PART 1**

7 **SHORT TITLE, CONSTRUCTION, GENERAL PROVISIONS**

8 **5-1-101. Short title.** ARTICLES 1 TO 9 OF THIS TITLE SHALL BE
9 KNOWN AND MAY BE CITED AS THE "UNIFORM CONSUMER CREDIT CODE",
10 REFERRED TO IN SAID ARTICLES AS THE "CODE".

11 **5-1-102. Purposes - rules of construction.** (1) THIS CODE SHALL
12 BE LIBERALLY CONSTRUED AND APPLIED TO PROMOTE ITS UNDERLYING
13 PURPOSES AND POLICIES.

14 (2) THE UNDERLYING PURPOSES AND POLICIES OF THIS CODE ARE:

15 (a) TO SIMPLIFY, CLARIFY, AND MODERNIZE THE LAW GOVERNING
16 RETAIL INSTALLMENT SALES, CONSUMER CREDIT, SMALL LOANS, AND
17 USURY;

18 (b) TO PROVIDE RATE CEILINGS TO ASSURE AN ADEQUATE SUPPLY
19 OF CREDIT TO CONSUMERS;

20 (c) TO FURTHER CONSUMER UNDERSTANDING OF THE TERMS OF

1 CREDIT TRANSACTIONS AND TO FOSTER COMPETITION AMONG SUPPLIERS
2 OF CONSUMER CREDIT SO THAT CONSUMERS MAY OBTAIN CREDIT AT
3 REASONABLE COST;

4 (d) TO PROTECT CONSUMER BUYERS, LESSEES, AND BORROWERS
5 AGAINST UNFAIR PRACTICES BY SOME SUPPLIERS OF CONSUMER CREDIT,
6 HAVING DUE REGARD FOR THE INTERESTS OF LEGITIMATE AND SCRUPULOUS
7 CREDITORS;

8 (e) TO PERMIT AND ENCOURAGE THE DEVELOPMENT OF FAIR AND
9 ECONOMICALLY SOUND CONSUMER CREDIT PRACTICES;

10 (f) TO CONFORM THE REGULATION OF CONSUMER CREDIT
11 TRANSACTIONS TO THE POLICIES OF THE FEDERAL "TRUTH IN LENDING
12 ACT" AND THE FEDERAL "CONSUMER LEASING ACT"; AND

13 (g) TO MAKE UNIFORM THE LAW, INCLUDING ADMINISTRATIVE
14 RULES, AMONG THE VARIOUS JURISDICTIONS.

15 (3) A REFERENCE TO A REQUIREMENT IMPOSED BY THIS CODE
16 INCLUDES REFERENCE TO A RELATED RULE OF THE ADMINISTRATOR
17 ADOPTED PURSUANT TO THIS CODE.

18 **5-1-103. Supplementary general principles of law**
19 **applicable.** UNLESS DISPLACED BY THE PARTICULAR PROVISIONS OF THIS
20 CODE, THE "UNIFORM COMMERCIAL CODE" AND THE PRINCIPLES OF LAW
21 AND EQUITY, INCLUDING THE LAW RELATIVE TO CAPACITY TO CONTRACT,
22 PRINCIPAL AND AGENT, ESTOPPEL, FRAUD, MISREPRESENTATION, DURESS,
23 COERCION, MISTAKE, BANKRUPTCY, OR OTHER VALIDATING OR
24 INVALIDATING CAUSE, SUPPLEMENT THE PROVISIONS OF THIS CODE.

25 **5-1-104. Construction against implicit repeal.** THIS CODE BEING
26 A GENERAL ACT INTENDED AS A UNIFIED COVERAGE OF ITS SUBJECT

1 MATTER, NO PART OF IT IS DEEMED TO BE IMPLIEDLY REPEALED BY
2 SUBSEQUENT LEGISLATION IF SUCH CONSTRUCTION CAN REASONABLY BE
3 AVOIDED.

4 **5-1-105. Severability clause.** IF ANY PROVISION OF THIS CODE OR
5 THE APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCES IS HELD
6 INVALID, SUCH INVALIDITY SHALL NOT AFFECT OTHER PROVISIONS OR
7 APPLICATIONS OF THIS CODE WHICH CAN BE GIVEN EFFECT WITHOUT THE
8 INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF
9 THIS CODE ARE DECLARED TO BE SEVERABLE.

10 **5-1-106. Waiver - agreement to forego rights - settlement of**
11 **claims.** (1) EXCEPT AS OTHERWISE PROVIDED IN THIS CODE, A CONSUMER
12 MAY NOT WAIVE OR AGREE TO FOREGO RIGHTS OR BENEFITS UNDER THIS
13 CODE.

14 (2) A CLAIM BY A CONSUMER AGAINST A CREDITOR FOR AN EXCESS
15 CHARGE, OTHER VIOLATION OF THIS CODE, OR CIVIL PENALTY, OR A CLAIM
16 AGAINST A CONSUMER FOR DEFAULT OR BREACH OF A DUTY IMPOSED BY
17 THIS CODE, IF DISPUTED IN GOOD FAITH, MAY BE SETTLED BY AGREEMENT.

18 (3) A CLAIM, WHETHER OR NOT DISPUTED, AGAINST A CONSUMER,
19 MAY BE SETTLED FOR LESS VALUE THAN THE AMOUNT CLAIMED.

20 (4) A SETTLEMENT IN WHICH THE CONSUMER WAIVES OR AGREES
21 TO FOREGO RIGHTS OR BENEFITS UNDER THIS CODE IS INVALID IF THE
22 COURT AS A MATTER OF LAW FINDS THE SETTLEMENT TO HAVE BEEN
23 UNCONSCIONABLE AT THE TIME IT WAS MADE. THE COMPETENCE OF THE
24 CONSUMER, ANY DECEPTION OR COERCION PRACTICED UPON THE
25 CONSUMER, THE NATURE AND EXTENT OF THE LEGAL ADVICE RECEIVED BY
26 THE CONSUMER, AND THE VALUE OF THE CONSIDERATION ARE RELEVANT

1 TO THE ISSUE OF UNCONSCIONABILITY.

2 **5-1-107. Effect of code on powers of organizations.** (1) THIS
3 CODE PRESCRIBES MAXIMUM CHARGES FOR ALL CREDITORS EXTENDING
4 CONSUMER CREDIT EXCEPT LESSORS AND THOSE EXCLUDED IN SECTIONS
5 5-1-202 AND 5-2-213 (2) AND DISPLACES EXISTING LIMITATIONS ON THE
6 POWERS OF THOSE CREDITORS BASED ON MAXIMUM CHARGES.

7 (2) WITH RESPECT TO SELLERS OF GOODS OR SERVICES, SMALL
8 LOAN COMPANIES, LICENSED LENDERS, CONSUMER AND SALES FINANCE
9 COMPANIES, INDUSTRIAL BANKS AND LOAN COMPANIES, AND COMMERCIAL
10 BANKS AND TRUST COMPANIES, THIS CODE DISPLACES EXISTING
11 LIMITATIONS ON THEIR POWERS BASED SOLELY ON AMOUNT OR DURATION
12 OF CREDIT.

13 (3) EXCEPT AS PROVIDED IN SUBSECTION (1) OF THIS SECTION, THIS
14 CODE DOES NOT DISPLACE LIMITATIONS ON POWERS OF CREDIT UNIONS,
15 SAVINGS BANKS, SAVINGS AND LOAN ASSOCIATIONS, OR OTHER THRIFT
16 INSTITUTIONS WHETHER ORGANIZED FOR THE PROFIT OF SHAREHOLDERS OR
17 AS MUTUAL ORGANIZATIONS.

18 (4) EXCEPT AS PROVIDED IN SUBSECTIONS (1) AND (2) OF THIS
19 SECTION, THIS CODE DOES NOT DISPLACE:

20 (a) LIMITATIONS ON POWERS OF SUPERVISED FINANCIAL
21 ORGANIZATIONS, AS DEFINED IN SECTION 5-1-301 (45), WITH RESPECT TO
22 THE AMOUNT OF A LOAN TO A SINGLE BORROWER, THE RATIO OF A LOAN TO
23 THE VALUE OF COLLATERAL, THE DURATION OF A LOAN SECURED BY AN
24 INTEREST IN LAND, OR OTHER SIMILAR RESTRICTIONS DESIGNED TO
25 PROTECT DEPOSITS; OR

26 (b) LIMITATIONS ON POWERS AN ORGANIZATION IS AUTHORIZED TO

1 EXERCISE UNDER THE LAWS OF THIS STATE OR THE UNITED STATES.

2 PART 2

3 SCOPE AND JURISDICTION

4 **5-1-201. Territorial application.** (1) EXCEPT AS OTHERWISE
5 PROVIDED IN THIS SECTION, THIS CODE APPLIES TO CONSUMER CREDIT
6 TRANSACTIONS MADE IN THIS STATE AND TO MODIFICATIONS, INCLUDING
7 REFINANCING, CONSOLIDATIONS, AND DEFERRALS, MADE IN THIS STATE, OF
8 CONSUMER CREDIT TRANSACTIONS, WHEREVER MADE. FOR PURPOSES OF
9 THIS CODE, A CONSUMER CREDIT TRANSACTION IS MADE IN THIS STATE IF:

10 (a) A WRITTEN AGREEMENT EVIDENCING THE OBLIGATION OR
11 OFFER OF THE CONSUMER IS RECEIVED BY THE CREDITOR IN THIS STATE; OR

12 (b) A CONSUMER WHO IS A RESIDENT OF THIS STATE ENTERS INTO
13 THE TRANSACTION WITH A CREDITOR WHO HAS SOLICITED OR ADVERTISED
14 IN THIS STATE BY ANY MEANS, INCLUDING BUT NOT LIMITED TO MAIL,
15 BROCHURE, TELEPHONE, PRINT, RADIO, TELEVISION, INTERNET, OR ANY
16 OTHER ELECTRONIC MEANS.

17 (2) NOTWITHSTANDING PARAGRAPH (b) OF SUBSECTION (1) OF THIS
18 SECTION, UNLESS MADE SUBJECT TO THIS CODE BY AGREEMENT OF THE
19 PARTIES, A CONSUMER CREDIT TRANSACTION IS NOT MADE IN THIS STATE
20 IF A RESIDENT OF THIS STATE ENTERS INTO THE TRANSACTION WHILE
21 PHYSICALLY PRESENT IN ANOTHER STATE.

22 (3) PART 1 OF ARTICLE 5 OF THIS TITLE AND SECTIONS 5-3-104 AND
23 5-3-105 APPLY TO ACTIONS OR OTHER PROCEEDINGS BROUGHT IN THIS
24 STATE TO ENFORCE RIGHTS ARISING OUT OF A CONSUMER CREDIT
25 TRANSACTION, OR MODIFICATION THEREOF, WHEREVER MADE.

26 (4) IF A CONSUMER CREDIT TRANSACTION, OR MODIFICATION

1 THEREOF, IS MADE IN ANOTHER STATE WITH A PERSON WHO IS A RESIDENT
2 OF THIS STATE WHEN THE CONSUMER CREDIT TRANSACTION OR
3 MODIFICATION IS MADE, THE FOLLOWING PROVISIONS APPLY AS THOUGH
4 THE TRANSACTION OCCURRED IN THIS STATE:

5 (a) A CREDITOR, OR ASSIGNEE OF THE CREDITOR'S RIGHTS, MAY
6 NOT COLLECT CHARGES THROUGH ACTIONS OR OTHER PROCEEDINGS IN
7 EXCESS OF THOSE PERMITTED BY THIS CODE; AND

8 (b) A CREDITOR, OR ASSIGNEE OF THE CREDITOR'S RIGHTS, MAY
9 NOT ENFORCE RIGHTS AGAINST THE CONSUMER THAT VIOLATE THE
10 PROVISIONS OF THIS CODE ON LIMITATIONS ON AGREEMENTS AND
11 PRACTICES.

12 (5) EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION, A
13 CONSUMER CREDIT TRANSACTION, OR MODIFICATION THEREOF, MADE IN
14 ANOTHER STATE WITH A PERSON WHO WAS NOT A RESIDENT OF THIS STATE
15 WHEN THE CONSUMER CREDIT TRANSACTION OR MODIFICATION WAS MADE
16 IS VALID AND ENFORCEABLE IN THIS STATE ACCORDING TO ITS TERMS TO
17 THE EXTENT THAT IT IS VALID AND ENFORCEABLE UNDER THE LAWS OF THE
18 STATE APPLICABLE TO THE TRANSACTION.

19 (6) FOR THE PURPOSES OF THIS CODE, THE "RESIDENCE" OF A
20 CONSUMER IS THE ADDRESS GIVEN BY THE CONSUMER AS THE CONSUMER'S
21 RESIDENCE IN ANY WRITING PROVIDED BY THE CONSUMER IN CONNECTION
22 WITH A CREDIT TRANSACTION. UNTIL THE CONSUMER NOTIFIES THE
23 CREDITOR OF A NEW OR DIFFERENT ADDRESS, THE GIVEN ADDRESS IS
24 PRESUMED TO BE UNCHANGED.

25 (7) NOTWITHSTANDING OTHER PROVISIONS OF THIS SECTION:

26 (a) EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION, THIS

1 CODE DOES NOT APPLY IF THE CONSUMER IS NOT A RESIDENT OF THIS STATE
2 AT THE TIME OF A CREDIT TRANSACTION AND THE PARTIES THEN AGREE
3 THAT THE LAW OF THE CONSUMER'S RESIDENCE APPLIES; AND

4 (b) THIS CODE APPLIES IF THE CONSUMER IS A RESIDENT OF THIS
5 STATE AT THE TIME OF A CREDIT TRANSACTION AND THE PARTIES THEN
6 AGREE THAT THE LAW OF THIS STATE APPLIES.

7 (8) EXCEPT AS PROVIDED IN SUBSECTION (7) OF THIS SECTION, AN
8 AGREEMENT BY A CONSUMER IS INVALID WITH RESPECT TO CONSUMER
9 CREDIT TRANSACTIONS, OR MODIFICATIONS THEREOF, TO WHICH THIS CODE
10 APPLIES WHEN SUCH AGREEMENT PROVIDES THAT:

11 (a) THE LAW OF ANOTHER STATE SHALL APPLY;

12 (b) THE CONSUMER CONSENTS TO THE JURISDICTION OF ANOTHER
13 STATE; OR

14 (c) VENUE IS FIXED.

15 (9) THE FOLLOWING PROVISIONS OF THIS CODE SPECIFY THE
16 APPLICABLE LAW GOVERNING CERTAIN CASES:

17 (a) SECTION 5-6-102 ON THE POWERS AND FUNCTIONS OF THE
18 ADMINISTRATOR; AND

19 (b) SECTION 5-6-201 ON NOTIFICATION AND FEES.

20 (10) FOR THE PURPOSE OF SUBSECTION (1) OF THIS SECTION,
21 "RECEIVE" MEANS OBTAINED AS A RESULT OF PHYSICAL DELIVERY,
22 TRANSMISSION, OR COMMUNICATION TO ONE WHO HAS ACTUAL OR
23 APPARENT AUTHORITY TO ACT FOR THE CREDITOR IN THIS STATE WHETHER
24 OR NOT APPROVAL, ACCEPTANCE, OR RATIFICATION BY ANY OTHER AGENT
25 OR REPRESENTATIVE OF SUCH CREDITOR IN SOME OTHER STATE IS
26 NECESSARY TO GIVE LEGAL CONSEQUENCE TO THE CONSUMER CREDIT

1 TRANSACTION.

2 (11) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
3 THIS CODE APPLIES TO ANY CONSUMER INSURANCE PREMIUM LOAN MADE
4 TO A RESIDENT OF THIS STATE.

5 **5-1-202. Exclusions.** (1) THIS CODE DOES NOT APPLY TO:

6 (a) EXTENSIONS OF CREDIT TO GOVERNMENT OR GOVERNMENTAL
7 AGENCIES OR INSTRUMENTALITIES;

8 (b) EXCEPT AS OTHERWISE PROVIDED IN ARTICLE 4 OF THIS TITLE,
9 THE SALE OF INSURANCE IF THERE IS NO LEGAL OBLIGATION TO PAY
10 INSTALLMENTS OF THE PREMIUM AND THE INSURANCE MAY TERMINATE OR
11 BE CANCELED AFTER NONPAYMENT OF AN INSTALLMENT OF THE PREMIUM;

12 (c) TRANSACTIONS UNDER PUBLIC UTILITY OR COMMON CARRIER
13 TARIFFS IF A SUBDIVISION OR AGENCY OF THIS STATE OR OF THE UNITED
14 STATES REGULATES THE CHARGES FOR THE SERVICES INVOLVED, THE
15 CHARGES FOR DELAYED PAYMENT, AND ANY DISCOUNT ALLOWED FOR
16 EARLY PAYMENT;

17 (d) THE RATES AND CHARGES AND THE DISCLOSURE OF RATES AND
18 CHARGES OF A LICENSED PAWNBROKER ESTABLISHED IN ACCORDANCE
19 WITH A STATUTE OR ORDINANCE CONCERNING THESE MATTERS;

20 (e) THE DISCLOSURE OF RATES AND CHARGES IN CONNECTION WITH
21 TRANSACTIONS IN SECURITIES AND COMMODITIES ACCOUNTS BY A
22 BROKER-DEALER REGISTERED WITH THE SECURITIES AND EXCHANGE
23 COMMISSION;

24 (f) LOANS MADE, ORIGINATED, DISBURSED, SERVICED, OR
25 GUARANTEED BY AN AGENCY, INSTRUMENTALITY, OR POLITICAL
26 SUBDIVISION OF THE STATE PURSUANT TO ARTICLE 3.1 OF TITLE 23, C.R.S.

1 **5-1-203. Jurisdiction and service of process.** (1) THE COURT OF
2 RECORD OF ANY JUDICIAL DISTRICT IN THIS STATE MAY EXERCISE
3 JURISDICTION OVER ANY CREDITOR WITH RESPECT TO ANY CONDUCT IN
4 THIS STATE GOVERNED BY THIS CODE OR WITH RESPECT TO ANY CLAIM
5 ARISING FROM A TRANSACTION SUBJECT TO THIS CODE. IN ADDITION TO
6 ANY OTHER METHOD PROVIDED BY THE COLORADO RULES OF CIVIL
7 PROCEDURE OR BY STATUTE, PERSONAL JURISDICTION OVER A CREDITOR
8 MAY BE ACQUIRED IN A CIVIL ACTION OR PROCEEDING INSTITUTED IN THE
9 COURT OF RECORD BY THE SERVICE OF PROCESS IN THE MANNER PROVIDED
10 BY THIS SECTION.

11 (2) IF A CREDITOR IS NOT A RESIDENT OF THIS STATE OR IS A
12 CORPORATION NOT AUTHORIZED TO DO BUSINESS IN THIS STATE AND
13 ENGAGES IN ANY CONDUCT IN THIS STATE GOVERNED BY THIS CODE OR
14 ENGAGES IN A TRANSACTION SUBJECT TO THIS CODE, THE CREDITOR MAY
15 DESIGNATE AN AGENT UPON WHOM SERVICE OF PROCESS MAY BE MADE IN
16 THIS STATE. THE AGENT SHALL BE A RESIDENT OF THIS STATE OR A
17 CORPORATION AUTHORIZED TO DO BUSINESS IN THIS STATE. THE
18 DESIGNATION SHALL BE IN WRITING AND FILED WITH THE SECRETARY OF
19 STATE. IF NO DESIGNATION IS MADE AND FILED OR IF PROCESS CANNOT BE
20 SERVED IN THIS STATE UPON THE DESIGNATED AGENT, PROCESS MAY BE
21 SERVED UPON THE SECRETARY OF STATE, BUT SERVICE UPON THE
22 SECRETARY OF STATE IS NOT EFFECTIVE UNLESS THE PLAINTIFF OR
23 PETITIONER FORTHWITH MAELS A COPY OF THE PROCESS AND PLEADING BY
24 REGISTERED OR CERTIFIED MAIL TO THE DEFENDANT OR RESPONDENT AT
25 HIS OR HER LAST REASONABLY ASCERTAINABLE ADDRESS. AN AFFIDAVIT
26 OF COMPLIANCE WITH THIS SECTION SHALL BE FILED WITH THE CLERK OF

1 THE COURT ON OR BEFORE THE RETURN DAY OF THE PROCESS, IF ANY, OR
2 WITHIN ANY FURTHER TIME THE COURT ALLOWS.

3 PART 3

4 DEFINITIONS

5 **5-1-301. General definitions.** IN ADDITION TO DEFINITIONS
6 APPEARING IN SUBSEQUENT ARTICLES, AS USED IN THIS CODE, UNLESS THE
7 CONTEXT OTHERWISE REQUIRES:

8 (1) "ACTUARIAL METHOD" MEANS THE METHOD, DEFINED BY RULES
9 PROMULGATED BY THE ADMINISTRATOR IN ACCORDANCE WITH ARTICLE 4
10 OF TITLE 24, C.R.S., OF ALLOCATING PAYMENTS MADE ON A DEBT
11 BETWEEN THE AMOUNT FINANCED AND FINANCE CHARGE PURSUANT TO
12 WHICH A PAYMENT IS APPLIED FIRST TO THE ACCUMULATED LOAN FINANCE
13 CHARGE AND THE BALANCE SUBTRACTED FROM, OR ANY DEFICIENCY IS
14 ADDED TO, THE UNPAID BALANCE OF THE AMOUNT FINANCED.

15 (2) "ADMINISTRATOR" MEANS THE ADMINISTRATOR DESIGNATED
16 IN SECTION 5-6-103.

17 (3) "AGREEMENT" MEANS THE BARGAIN OF THE PARTIES IN FACT
18 AS FOUND IN THEIR LANGUAGE OR BY IMPLICATION FROM OTHER
19 CIRCUMSTANCES INCLUDING COURSE OF DEALING OR USAGE OF TRADE OR
20 COURSE OF PERFORMANCE.

21 (4) "AGRICULTURAL PURPOSE" MEANS A PURPOSE RELATED TO THE
22 PRODUCTION, HARVEST, EXHIBITION, MARKETING, TRANSPORTATION,
23 PROCESSING, OR MANUFACTURE OF AGRICULTURAL PRODUCTS BY A
24 NATURAL PERSON WHO CULTIVATES, PLANTS, PROPAGATES, OR NURTURES
25 THE AGRICULTURAL PRODUCTS. "AGRICULTURAL PRODUCTS" INCLUDES
26 AGRICULTURAL, HORTICULTURAL, VITICULTURAL, AND DAIRY PRODUCTS,

1 LIVESTOCK, WILDLIFE, POULTRY, BEES, FOREST PRODUCTS, FISH AND
2 SHELLFISH, AND ANY PRODUCTS THEREOF, INCLUDING PROCESSED AND
3 MANUFACTURED PRODUCTS, AND ANY AND ALL PRODUCTS RAISED OR
4 PRODUCED ON FARMS AND ANY PROCESSED OR MANUFACTURED PRODUCTS
5 THEREOF.

6 (5) "AMOUNT FINANCED" MEANS THE TOTAL OF THE FOLLOWING
7 ITEMS TO THE EXTENT THAT PAYMENT IS DEFERRED:

8 (a) IN THE CASE OF A SALE:

9 (I) THE CASH PRICE OF THE GOODS, SERVICES, OR INTEREST IN
10 LAND, LESS THE AMOUNT OF ANY DOWN PAYMENT WHETHER MADE IN CASH
11 OR IN PROPERTY TRADED IN; AND

12 (II) THE AMOUNT ACTUALLY PAID OR TO BE PAID BY THE SELLER
13 PURSUANT TO AN AGREEMENT WITH THE BUYER TO DISCHARGE A SECURITY
14 INTEREST IN OR A LIEN ON PROPERTY TRADED IN;

15 (b) IN THE CASE OF A LOAN:

16 (I) THE NET AMOUNT PAID TO, RECEIVABLE BY, OR PAID OR
17 PAYABLE FOR THE ACCOUNT OF THE DEBTOR; AND

18 (II) THE AMOUNT OF ANY DISCOUNT EXCLUDED FROM THE LOAN
19 FINANCE CHARGE DESCRIBED IN SECTION 5-1-301 (20) (c); AND

20 (c) IN THE CASE OF A SALE OR LOAN, TO THE EXTENT THAT
21 PAYMENT IS DEFERRED AND THE AMOUNT IS NOT OTHERWISE INCLUDED IN
22 THE CASH PRICE:

23 (I) ANY APPLICABLE SALES, USE, EXCISE, OR DOCUMENTARY STAMP
24 TAXES;

25 (II) AMOUNTS ACTUALLY PAID OR TO BE PAID BY THE CREDITOR
26 FOR REGISTRATION, CERTIFICATE OF TITLE, OR LICENSE FEES; AND

1 (III) ADDITIONAL CHARGES PERMITTED BY THIS CODE DESCRIBED
2 IN SECTION 5-2-202.

3 (6) "BUSINESS DAY" MEANS ANY CALENDAR DAY EXCEPT SUNDAY,
4 NEW YEAR'S DAY, THE THIRD MONDAY IN JANUARY OBSERVED AS THE
5 BIRTHDAY OF DR. MARTIN LUTHER KING, JR., WASHINGTON-LINCOLN
6 DAY, MEMORIAL DAY, INDEPENDENCE DAY, LABOR DAY, COLUMBUS DAY,
7 VETERANS' DAY, THANKSGIVING DAY, AND CHRISTMAS DAY.

8 (7) (a) "CASH PRICE" MEANS, EXCEPT AS THE ADMINISTRATOR MAY
9 OTHERWISE PRESCRIBE BY RULE PROMULGATED IN ACCORDANCE WITH
10 ARTICLE 4 OF TITLE 24, C.R.S., THE PRICE AT WHICH GOODS, SERVICES, OR
11 AN INTEREST IN LAND IS OFFERED FOR SALE BY THE SELLER TO CASH
12 BUYERS IN THE ORDINARY COURSE OF BUSINESS AND MAY INCLUDE THE
13 CASH PRICE OF ACCESSORIES OR RELATED SERVICES SUCH AS DELIVERY,
14 INSTALLATION, SERVICING, REPAIRS, ALTERATIONS, MODIFICATIONS, AND
15 IMPROVEMENTS AND, IF INDIVIDUALLY ITEMIZED, MAY ALSO INCLUDE:

16 (I) APPLICABLE SALES, USE, AND EXCISE AND DOCUMENTARY
17 STAMP TAXES; AND

18 (II) AMOUNTS ACTUALLY PAID OR TO BE PAID BY THE SELLER FOR
19 REGISTRATION, CERTIFICATE OF TITLE, OR LICENSE FEES.

20 (b) THE CASH PRICE STATED BY THE SELLER TO THE BUYER
21 PURSUANT TO THE PROVISIONS ON DISCLOSURE CONTAINED IN SECTION
22 5-3-101 IS PRESUMED TO BE THE CASH PRICE.

23 (8) "CLOSING COSTS" WITH RESPECT TO A DEBT SECURED BY AN
24 INTEREST IN LAND INCLUDES:

25 (a) FEES OR PREMIUMS FOR TITLE EXAMINATION, TITLE INSURANCE,
26 OR SIMILAR PURPOSES INCLUDING SURVEYS;

1 (b) FEES FOR PREPARATION OF A DEED, SETTLEMENT STATEMENT,
2 OR OTHER DOCUMENTS;

3 (c) ESCROWS FOR FUTURE PAYMENTS OF TAXES AND INSURANCE;

4 (d) FEES FOR NOTARIZING DEEDS AND OTHER DOCUMENTS;

5 (e) APPRAISAL FEES; AND

6 (f) CREDIT REPORTS.

7 (9) "CONSPICUOUS" MEANS A TERM OR CLAUSE THAT IS SO
8 WRITTEN THAT A REASONABLE PERSON AGAINST WHOM IT IS TO OPERATE
9 OUGHT TO HAVE NOTICED IT. WHETHER A TERM OR CLAUSE IS
10 CONSPICUOUS OR NOT IS FOR DECISION BY THE COURT. A PRINTED
11 HEADING IN CAPITALS (AS: WARRANTY) IS CONSPICUOUS, AND
12 LANGUAGE IN THE BODY OF THE FORM IS CONSPICUOUS IF IT IS IN LARGER
13 OR OTHER CONTRASTING TYPE OR COLOR. IN A TELEGRAM, ANY STATED
14 TERM IS CONSPICUOUS.

15 (10) "CONSUMER" MEANS A PERSON OTHER THAN AN
16 ORGANIZATION WHO IS THE BUYER, LESSEE, OR DEBTOR TO WHOM CREDIT
17 IS GRANTED IN A CONSUMER CREDIT TRANSACTION.

18 (11) (a) "CONSUMER CREDIT SALE" MEANS, EXCEPT AS PROVIDED
19 IN PARAGRAPH (b) OF THIS SUBSECTION (11), A SALE OF GOODS, SERVICES,
20 A MOBILE HOME, OR AN INTEREST IN LAND IN WHICH:

21 (I) CREDIT IS GRANTED OR ARRANGED BY A PERSON WHO
22 REGULARLY ENGAGES AS A SELLER IN CREDIT TRANSACTIONS OF THE SAME
23 KIND OR PURSUANT TO A SELLER CREDIT CARD;

24 (II) THE BUYER IS A PERSON OTHER THAN AN ORGANIZATION;

25 (III) THE GOODS, SERVICES, MOBILE HOME, OR INTEREST IN LAND
26 ARE PURCHASED PRIMARILY FOR A PERSONAL, FAMILY, OR HOUSEHOLD

1 PURPOSE;

2 (IV) EITHER THE DEBT IS BY WRITTEN AGREEMENT PAYABLE IN
3 INSTALLMENTS OR A FINANCE CHARGE IS MADE; AND

4 (V) WITH RESPECT TO A SALE OF GOODS OR SERVICES, THE
5 AMOUNT FINANCED DOES NOT EXCEED SEVENTY-FIVE THOUSAND DOLLARS.

6 (b) UNLESS THE SALE IS MADE SUBJECT TO THIS CODE BY SECTION
7 5-2-501, "CONSUMER CREDIT SALE" DOES NOT INCLUDE:

8 (I) A SALE IN WHICH THE SELLER ALLOWS THE BUYER TO PURCHASE
9 GOODS OR SERVICES PURSUANT TO A LENDER CREDIT CARD OR SIMILAR
10 ARRANGEMENT;

11 (II) (A) EXCEPT AS REQUIRED BY THE FEDERAL "TRUTH IN
12 LENDING ACT" OR THE FEDERAL "CONSUMER LEASING ACT" WITH
13 RESPECT TO DISCLOSURE CONTAINED IN SECTION 5-3-101 AND DEBTORS'
14 REMEDIES CONTAINED IN SECTION 5-5-204, A SALE OF A MOBILE HOME OR
15 A SALE OF AN INTEREST IN LAND IF THE FINANCE CHARGE DOES NOT
16 EXCEED TWELVE PERCENT PER YEAR CALCULATED ACCORDING TO THE
17 ACTUARIAL METHOD ON THE UNPAID BALANCES OF THE AMOUNT FINANCED
18 ON THE ASSUMPTION THAT THE DEBT WILL BE PAID ACCORDING TO THE
19 AGREED TERMS AND WILL NOT BE PAID BEFORE THE END OF THE AGREED
20 TERM OR, NOTWITHSTANDING THE RATE OF THE FINANCE CHARGE WITH
21 RESPECT TO THE SALE OF AN INTEREST IN LAND, THE SALE IS SECURED BY
22 A FIRST MORTGAGE OR DEED OF TRUST LIEN AGAINST A DWELLING TO
23 FINANCE THE ACQUISITION OF THAT DWELLING.

24 (B) FOR THE PURPOSES OF THIS SUBPARAGRAPH (II), "DWELLING"
25 MEANS ANY IMPROVED REAL PROPERTY OR PORTION THEREOF THAT IS
26 USED OR INTENDED TO BE USED AS A RESIDENCE AND CONTAINS NOT MORE

1 THAN FOUR DWELLING UNITS, AND "FIRST MORTGAGE OR DEED OF TRUST"
2 MEANS A MORTGAGE OR DEED OF TRUST HAVING PRIORITY AS A LIEN OVER
3 THE LIEN OF ANY OTHER MORTGAGE OR DEED OF TRUST ON THE SAME
4 DWELLING AND SUBJECT TO THE LIEN OF TAXES LEVIED ON THAT
5 DWELLING.

6 (III) A SALE FOR A BUSINESS, INVESTMENT, OR COMMERCIAL
7 PURPOSE; OR

8 (IV) A SALE PRIMARILY FOR AN AGRICULTURAL PURPOSE.

9 (12) "CONSUMER CREDIT TRANSACTION" MEANS A CONSUMER
10 CREDIT SALE OR CONSUMER LOAN, OR A REFINANCING OR CONSOLIDATION
11 THEREOF, OR A CONSUMER LEASE.

12 (13) "CONSUMER INSURANCE PREMIUM LOAN" MEANS A CONSUMER
13 LOAN THAT:

14 (a) IS MADE FOR THE SOLE PURPOSE OF FINANCING THE PAYMENT
15 BY OR ON BEHALF OF AN INSURED OF THE PREMIUM ON ONE OR MORE
16 POLICIES OR CONTRACTS ISSUED BY OR ON BEHALF OF AN INSURER;

17 (b) IS SECURED BY AN ASSIGNMENT BY THE INSURED TO THE
18 LENDER OF THE UNEARNED PREMIUM ON THE POLICY OR CONTRACT; AND

19 (c) CONTAINS AN AUTHORIZATION TO CANCEL THE POLICY OR
20 CONTRACT SO FINANCED.

21 (14) (a) "CONSUMER LEASE" MEANS A LEASE OF GOODS AND
22 INCLUDES ANY INSURANCE INCIDENTAL TO THE LEASE AND ANY OTHER
23 SERVICES MERELY INCIDENTAL TO UPKEEP OR REPAIR OF THE GOODS:

24 (I) THAT A LESSOR REGULARLY ENGAGED IN THE BUSINESS OF
25 LEASING MAKES TO A PERSON, OTHER THAN AN ORGANIZATION, WHO
26 TAKES UNDER THE LEASE PRIMARILY FOR A PERSONAL, FAMILY, OR

1 HOUSEHOLD PURPOSE;

2 (II) IN WHICH THE AMOUNT PAYABLE UNDER THE LEASE DOES NOT

3 EXCEED SEVENTY-FIVE THOUSAND DOLLARS; AND

4 (III) THAT IS FOR A TERM EXCEEDING FOUR MONTHS.

5 (b) "CONSUMER LEASE" DOES NOT INCLUDE A LEASE MADE

6 PURSUANT TO A LENDER CREDIT CARD OR SIMILAR ARRANGEMENT.

7 (15) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS

8 SUBSECTION (15) AND EXCEPT WITH RESPECT TO A LOAN PRIMARILY

9 SECURED BY AN INTEREST IN LAND AS DEFINED IN SUBSECTION 26 OF THIS

10 SECTION, "CONSUMER LOAN" MEANS A LOAN MADE OR ARRANGED BY A

11 PERSON REGULARLY ENGAGED IN THE BUSINESS OF MAKING LOANS IN

12 WHICH:

13 (I) THE CONSUMER IS A PERSON OTHER THAN AN ORGANIZATION;

14 (II) THE DEBT IS INCURRED PRIMARILY FOR A PERSONAL, FAMILY,

15 OR HOUSEHOLD PURPOSE;

16 (III) EITHER THE DEBT IS BY WRITTEN AGREEMENT PAYABLE IN

17 INSTALLMENTS OR A LOAN FINANCE CHARGE IS MADE; AND

18 (IV) EITHER THE PRINCIPAL DOES NOT EXCEED SEVENTY-FIVE

19 THOUSAND DOLLARS OR THE DEBT IS SECURED BY AN INTEREST IN LAND.

20 (b) UNLESS THE LOAN IS MADE SUBJECT TO THIS CODE BY AN

21 AGREEMENT DESCRIBED IN SECTION 5-2-501, "CONSUMER LOAN" DOES NOT

22 INCLUDE:

23 (I) A LOAN FOR A BUSINESS, INVESTMENT, OR COMMERCIAL

24 PURPOSE;

25 (II) A LOAN PRIMARILY FOR AN AGRICULTURAL PURPOSE; OR

26 (III) A REVERSE MORTGAGE AS DEFINED IN SECTION 11-38-102,

1 C.R.S.

2 (c) UNLESS THE LOAN IS MADE SUBJECT TO THIS CODE BY AN
3 AGREEMENT DESCRIBED IN SECTION 5-2-501 AND EXCEPT AS PROVIDED
4 WITH RESPECT TO THE DISCLOSURE DESCRIBED IN SECTION 5-3-101,
5 DEBTORS' REMEDIES DESCRIBED IN SECTION 5-5-204, AND POWERS AND
6 FUNCTIONS OF THE ADMINISTRATOR UNDER PART 1 OF ARTICLE 6 OF THIS
7 TITLE, "CONSUMER LOAN" DOES NOT INCLUDE A "LOAN PRIMARILY
8 SECURED BY AN INTEREST IN LAND" AS DEFINED IN SUBSECTION (26) OF
9 THIS SECTION.

10 (16) "CREDIT" MEANS THE RIGHT GRANTED BY A CREDITOR TO A
11 CONSUMER TO DEFER PAYMENT OF DEBT OR TO INCUR DEBT AND DEFER ITS
12 PAYMENT.

13 (17) "CREDITOR" MEANS THE SELLER, LESSOR, LENDER, OR PERSON
14 WHO MAKES OR ARRANGES A CONSUMER CREDIT TRANSACTION AND TO
15 WHOM THE TRANSACTION IS INITIALLY PAYABLE, OR THE ASSIGNEE OF A
16 CREDITOR'S RIGHT TO PAYMENT, BUT USE OF THE TERM DOES NOT IN ITSELF
17 IMPOSE ON AN ASSIGNEE ANY OBLIGATION OF HIS OR HER ASSIGNOR. IN
18 CASE OF CREDIT GRANTED PURSUANT TO A CREDIT CARD, "CREDITOR"
19 MEANS THE CARD ISSUER AND NOT ANOTHER PERSON HONORING THE
20 CREDIT CARD.

21 (18) "DWELLING" MEANS A RESIDENTIAL STRUCTURE OR MOBILE
22 HOME THAT CONTAINS ONE TO FOUR FAMILY HOUSING UNITS OR
23 INDIVIDUAL UNITS OF CONDOMINIUMS OR COOPERATIVES.

24 (19) "EARNINGS" MEANS COMPENSATION PAID OR PAYABLE TO AN
25 INDIVIDUAL OR FOR THE INDIVIDUAL'S ACCOUNT FOR PERSONAL SERVICES
26 RENDERED OR TO BE RENDERED BY THE INDIVIDUAL, WHETHER

1 DENOMINATED AS WAGES, SALARY, FEES, COMMISSION, BONUS, OR
2 OTHERWISE, AND INCLUDES PERIODIC PAYMENTS PURSUANT TO A PENSION,
3 RETIREMENT, OR DISABILITY PROGRAM.

4 (20) "FINANCE CHARGE" MEANS:

5 (a) THE SUM OF ALL CHARGES PAYABLE DIRECTLY OR INDIRECTLY
6 BY THE CONSUMER AND IMPOSED DIRECTLY OR INDIRECTLY BY THE
7 CREDITOR AS AN INCIDENT TO OR AS A CONDITION OF THE EXTENSION OF
8 CREDIT, WHETHER PAID OR PAYABLE BY THE CONSUMER, THE CREDITOR,
9 OR ANY OTHER PERSON ON BEHALF OF THE CONSUMER TO THE CREDITOR
10 OR TO A THIRD PARTY, INCLUDING ANY OF THE FOLLOWING TYPES OF
11 CHARGES THAT ARE APPLICABLE:

12 (I) INTEREST OR ANY AMOUNT PAYABLE UNDER A POINT, DISCOUNT,
13 OR OTHER SYSTEM OF CHARGES, HOWEVER DENOMINATED;

14 (II) TIME-PRICE DIFFERENTIAL, CREDIT SERVICE, SERVICE,
15 CARRYING, OR OTHER CHARGE, HOWEVER DENOMINATED;

16 (III) PREMIUM, OR OTHER CHARGE FOR ANY GUARANTEE OR
17 INSURANCE PROTECTING THE CREDITOR AGAINST THE CONSUMER'S
18 DEFAULT OR OTHER CREDIT LOSS; AND

19 (IV) CHARGES INCURRED FOR INVESTIGATING THE COLLATERAL OR
20 CREDIT-WORTHINESS OF THE CONSUMER OR FOR COMMISSIONS OR
21 BROKERAGE FOR OBTAINING THE CREDIT.

22 (b) THE TERM DOES NOT INCLUDE CHARGES AS A RESULT OF
23 DEFAULT DESCRIBED IN SECTION 5-3-302, ADDITIONAL CHARGES
24 DESCRIBED IN SECTION 5-2-202, DELINQUENCY CHARGES DESCRIBED IN
25 SECTION 5-2-203, OR DEFERRAL CHARGES DESCRIBED IN SECTION 5-2-204.

26 (c) IF A CREDITOR MAKES A LOAN TO A CONSUMER BY PURCHASING

1 OR SATISFYING OBLIGATIONS OF THE CONSUMER PURSUANT TO A CREDIT
2 CARD OR SIMILAR ARRANGEMENT AND THE PURCHASE OR SATISFACTION IS
3 MADE AT LESS THAN THE FACE AMOUNT OF THE OBLIGATION, THE
4 DISCOUNT IS NOT PART OF THE FINANCE CHARGE.

5 (21) "GOODS" INCLUDES GOODS NOT IN EXISTENCE AT THE TIME
6 THE TRANSACTION IS ENTERED INTO AND MERCHANDISE CERTIFICATES BUT
7 EXCLUDES MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, AND
8 INSTRUMENTS.

9 (22) "INVESTMENT PURPOSE" MEANS THAT THE PRIMARY PURPOSE
10 OF THE CREDIT SALE OR LOAN IS FOR FUTURE FINANCIAL GAIN RATHER
11 THAN FOR A PRESENT PERSONAL, FAMILY, OR HOUSEHOLD USE.

12 (23) "LENDER" INCLUDES AN ASSIGNEE OF THE LENDER'S RIGHT TO
13 PAYMENT, UNLESS OTHERWISE PROVIDED IN THIS CODE, BUT USE OF THE
14 TERM DOES NOT IN ITSELF IMPOSE ON AN ASSIGNEE ANY OBLIGATION OF
15 THE LENDER WITH RESPECT TO EVENTS OCCURRING BEFORE THE
16 ASSIGNMENT.

17 (24) "LENDER CREDIT CARD OR SIMILAR ARRANGEMENT" MEANS
18 AN ARRANGEMENT OR LOAN AGREEMENT, OTHER THAN A SELLER CREDIT
19 CARD, PURSUANT TO WHICH A LENDER GIVES A CONSUMER THE PRIVILEGE
20 OF USING A CREDIT CARD, LETTER OF CREDIT, OR OTHER CREDIT
21 CONFIRMATION OR IDENTIFICATION IN TRANSACTIONS OUT OF WHICH DEBT
22 ARISES:

23 (a) BY THE LENDER'S HONORING A DRAFT OR SIMILAR ORDER FOR
24 THE PAYMENT OF MONEY DRAWN OR ACCEPTED BY THE CONSUMER;

25 (b) BY THE LENDER'S PAYMENT OR AGREEMENT TO PAY THE
26 CONSUMER'S OBLIGATIONS; OR

1 (c) BY THE LENDER'S PURCHASE FROM THE OBLIGEE OF THE
2 CONSUMER'S OBLIGATIONS.

3 (25) "LOAN" INCLUDES:

4 (a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS
5 SUBSECTION (25):

6 (I) THE CREATION OF DEBT BY THE LENDER'S PAYMENT OF OR
7 AGREEMENT TO PAY MONEY TO THE CONSUMER OR TO A THIRD PARTY FOR
8 THE ACCOUNT OF THE CONSUMER;

9 (II) THE CREATION OF DEBT BY A CREDIT TO AN ACCOUNT WITH
10 THE LENDER UPON WHICH THE CONSUMER IS ENTITLED TO DRAW
11 IMMEDIATELY;

12 (III) THE CREATION OF DEBT PURSUANT TO A LENDER CREDIT CARD
13 IN ANY MANNER, INCLUDING A CASH ADVANCE OR THE CARD ISSUER'S
14 HONORING A DRAFT OR SIMILAR ORDER FOR THE PAYMENT OF MONEY
15 DRAWN OR ACCEPTED BY THE CONSUMER, PAYING OR AGREEING TO PAY
16 THE CONSUMER'S OBLIGATION, OR PURCHASING OR OTHERWISE ACQUIRING
17 THE CONSUMER'S OBLIGATION FROM THE OBLIGEE OR HIS OR HER
18 ASSIGNEES;

19 (IV) THE FORBEARANCE OF DEBT ARISING FROM A LOAN; AND

20 (V) THE CREATION OF DEBT BY A CASH ADVANCE TO A CONSUMER
21 PURSUANT TO A SELLER CREDIT CARD.

22 (b) "LOAN" DOES NOT INCLUDE:

23 (I) A CARD ISSUER'S PAYMENT OR AGREEMENT TO PAY MONEY TO
24 A THIRD PERSON FOR THE ACCOUNT OF A CONSUMER IF THE DEBT OF THE
25 CONSUMER ARISES FROM A SALE OR LEASE AND RESULTS FROM USE OF A
26 SELLER CREDIT CARD; OR

1 (II) THE FORBEARANCE OF DEBT ARISING FROM A SALE OR LEASE.

2 (26) (a) "LOAN PRIMARILY SECURED BY AN INTEREST IN LAND"
3 MEANS A CONSUMER LOAN SECURED BY A MOBILE HOME OR PRIMARILY
4 SECURED BY AN INTEREST IN LAND IF, AT THE TIME THE LOAN IS MADE THE
5 VALUE OF THE COLLATERAL IS SUBSTANTIAL IN RELATION TO THE AMOUNT
6 OF THE LOAN, AND:

7 (I) THE RATE OF THE FINANCE CHARGE DOES NOT EXCEED TWELVE
8 PERCENT PER YEAR CALCULATED ACCORDING TO THE ACTUARIAL METHOD
9 ON THE UNPAID BALANCES OF THE PRINCIPAL ON THE ASSUMPTION THAT
10 THE DEBT WILL BE PAID ACCORDING TO THE AGREED TERMS AND WILL NOT
11 BE PAID BEFORE THE END OF THE AGREED TERM; OR

12 (II) NOTWITHSTANDING THE RATE OF THE FINANCE CHARGE, AND
13 OTHER THAN A PRECOMPUTED LOAN AS DEFINED IN SUBSECTION (35) OF
14 THIS SECTION, THE LOAN IS SECURED BY A FIRST MORTGAGE OR DEED OF
15 TRUST LIEN AGAINST A DWELLING TO:

16 (A) FINANCE THE ACQUISITION OF THAT DWELLING; OR

17 (B) TO REFINANCE, BY AMENDMENT, PAYOFF, OR OTHERWISE, AN
18 EXISTING LOAN MADE TO FINANCE THE ACQUISITION OF THAT DWELLING,
19 INCLUDING A REFINANCE LOAN PROVIDING ADDITIONAL SUMS FOR ANY
20 PURPOSE WHETHER OR NOT RELATED TO ACQUISITION OR CONSTRUCTION.

21 (b) AS TO ANY REFINANCE LOAN IN THE FORM OF A REVOLVING
22 LOAN ACCOUNT THAT IS IN WHOLE OR IN PART FOR PURPOSES OTHER THAN
23 ACQUISITION OR CONSTRUCTION, SECTION 5-3-103 SHALL APPLY.

24 (c) WITH RESPECT TO LOANS SECURED BY A FIRST MORTGAGE OR
25 DEED OF TRUST LIEN AGAINST A DWELLING TO REFINANCE AN EXISTING
26 LOAN TO FINANCE THE ACQUISITION OF THE DWELLING AND PROVIDING

1 ADDITIONAL SUMS FOR ANY OTHER PURPOSE THAT ARE NOT SUBJECT TO
2 THIS CODE PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (26), THE
3 LENDER SHALL DISCLOSE TO THE CONSUMER THAT THE REFINANCE LOAN
4 CREATES A LIEN AGAINST THE DWELLING OR PROPERTY AND THAT THE
5 LIMITS SET FORTH IN SECTION 5-5-111 ON THE AMOUNT OF ATTORNEY FEES
6 THAT A LENDER MAY CHARGE THE CONSUMER ARE NOT APPLICABLE.

7 (d) FOR PURPOSES OF THIS SUBSECTION (26):

8 (I) A "LOAN SECURED BY A FIRST MORTGAGE OR DEED OF TRUST
9 LIEN AGAINST A DWELLING TO FINANCE THE ACQUISITION OF THE
10 DWELLING" INCLUDES A LOAN SECURED BY A FIRST MORTGAGE OR DEED
11 OF TRUST LIEN AGAINST A DWELLING TO FINANCE THE ORIGINAL
12 CONSTRUCTION OF SUCH DWELLING OR TO REFINANCE ANY SUCH
13 CONSTRUCTION LOAN;

14 (II) "DWELLING" MEANS ANY IMPROVED REAL PROPERTY, OR
15 PORTION THEREOF, THAT IS USED OR INTENDED TO BE USED AS A
16 RESIDENCE AND CONTAINS NOT MORE THAN FOUR DWELLING UNITS; AND

17 (III) "FIRST MORTGAGE OR DEED OF TRUST" MEANS A MORTGAGE
18 OR DEED OF TRUST HAVING PRIORITY AS A LIEN OVER THE LIEN OF ANY
19 OTHER MORTGAGE OR DEED OF TRUST ON THE SAME DWELLING AND
20 SUBJECT TO THE LIEN OF TAXES LEVIED ON THAT DWELLING.

21 (27) "MATERIAL DISCLOSURES" MEANS THE DISCLOSURE, AS
22 REQUIRED BY THIS CODE, OF THE ANNUAL PERCENTAGE RATE, THE METHOD
23 OF DETERMINING THE FINANCE CHARGE AND THE BALANCE UPON WHICH A
24 FINANCE CHARGE WILL BE IMPOSED, THE AMOUNT OF THE FINANCE
25 CHARGE, THE AMOUNT TO BE FINANCED, THE TOTAL OF PAYMENTS, THE
26 NUMBER AND AMOUNT OF PAYMENTS, AND THE DUE DATES OR PERIODS OF

1 PAYMENTS SCHEDULED TO REPAY THE INDEBTEDNESS.

2 (28) "MERCHANDISE CERTIFICATE" MEANS A WRITING NOT
3 REDEEMABLE IN CASH AND USABLE IN ITS FACE AMOUNT IN LIEU OF CASH
4 IN EXCHANGE FOR GOODS OR SERVICES.

5 (29) "MOBILE HOME" MEANS A DWELLING THAT IS BUILT ON A
6 CHASSIS DESIGNED FOR LONG-TERM RESIDENTIAL OCCUPANCY, THAT IS
7 CAPABLE OF BEING INSTALLED IN A PERMANENT OR SEMI-PERMANENT
8 LOCATION, WITH OR WITHOUT A PERMANENT FOUNDATION, AND WITH
9 MAJOR APPLIANCES AND PLUMBING, GAS, AND ELECTRICAL SYSTEMS
10 INSTALLED BUT NEEDING THE APPROPRIATE CONNECTIONS TO MAKE THEM
11 OPERABLE, AND THAT MAY BE OCCASIONALLY DRAWN OVER THE PUBLIC
12 HIGHWAYS, BY SPECIAL PERMIT, AS A UNIT OR IN SECTIONS TO ITS
13 PERMANENT OR SEMI-PERMANENT LOCATION.

14 (30) "OFFICIAL FEES" MEANS:

15 (a) FEES AND CHARGES PRESCRIBED BY LAW THAT ACTUALLY ARE
16 OR WILL BE PAID TO PUBLIC OFFICIALS FOR DETERMINING THE EXISTENCE
17 OF OR FOR PERFECTING, RELEASING, OR SATISFYING A SECURITY INTEREST
18 RELATED TO A CONSUMER CREDIT TRANSACTION; OR

19 (b) PREMIUMS PAYABLE FOR INSURANCE IN LIEU OF PERFECTING A
20 SECURITY INTEREST OTHERWISE REQUIRED BY THE CREDITOR IN
21 CONNECTION WITH THE CONSUMER CREDIT TRANSACTION IF THE PREMIUM
22 DOES NOT EXCEED THE FEES AND CHARGES DESCRIBED IN PARAGRAPH (a)
23 OF THIS SUBSECTION (30) THAT WOULD OTHERWISE BE PAYABLE.

24 (31) "ORGANIZATION" MEANS A CORPORATION, LIMITED LIABILITY
25 COMPANY, GOVERNMENT OR GOVERNMENTAL SUBDIVISION OR AGENCY,
26 TRUST, ESTATE, PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP,

1 COOPERATIVE, OR ASSOCIATION.

2 (32) "PAYABLE IN INSTALLMENTS" MEANS THAT PAYMENT IS
3 REQUIRED OR PERMITTED BY AGREEMENT TO BE MADE IN MORE THAN FOUR
4 PERIODIC PAYMENTS, EXCLUDING A DOWN PAYMENT. IF ANY PERIODIC
5 PAYMENT OTHER THAN THE DOWN PAYMENT UNDER AN AGREEMENT
6 REQUIRING OR PERMITTING TWO OR MORE PERIODIC PAYMENTS IS MORE
7 THAN TWICE THE AMOUNT OF ANY OTHER PERIODIC PAYMENT, EXCLUDING
8 THE DOWN PAYMENT, THE CONSUMER CREDIT TRANSACTION IS "PAYABLE
9 IN INSTALLMENTS".

10 (33) "PERSON" INCLUDES A NATURAL PERSON OR AN INDIVIDUAL
11 AND AN ORGANIZATION.

12 (34) (a) "PERSON RELATED TO" MEANS, WITH RESPECT TO AN
13 INDIVIDUAL, THE SPOUSE OF THE INDIVIDUAL; A BROTHER,
14 BROTHER-IN-LAW, SISTER, OR SISTER-IN-LAW OF THE INDIVIDUAL; AN
15 ANCESTOR OR LINEAL DESCENDANT OF THE INDIVIDUAL OR THE
16 INDIVIDUAL'S SPOUSE; AND ANY OTHER RELATIVE, BY BLOOD OR
17 MARRIAGE, OF THE INDIVIDUAL OR THE INDIVIDUAL'S SPOUSE WHO SHARES
18 THE SAME HOME WITH THE INDIVIDUAL.

19 (b) "PERSON RELATED TO" MEANS, WITH RESPECT TO AN
20 ORGANIZATION, A PERSON DIRECTLY OR INDIRECTLY CONTROLLING,
21 CONTROLLED BY, OR UNDER COMMON CONTROL WITH THE ORGANIZATION;
22 AN OFFICER OR DIRECTOR OF THE ORGANIZATION OR A PERSON
23 PERFORMING SIMILAR FUNCTIONS WITH RESPECT TO THE ORGANIZATION OR
24 TO A PERSON RELATED TO THE ORGANIZATION; THE SPOUSE OF A PERSON
25 RELATED TO THE ORGANIZATION; AND A RELATIVE BY BLOOD OR
26 MARRIAGE OF A PERSON RELATED TO THE ORGANIZATION WHO SHARES THE

1 SAME HOME WITH SUCH PERSON.

2 (35) "PRECOMPUTED" MEANS A CONSUMER CREDIT SALE OR
3 CONSUMER LOAN IN WHICH THE DEBT IS EXPRESSED AS A SUM COMPRISING
4 THE AMOUNT FINANCED AND THE AMOUNT OF THE FINANCE CHARGE
5 COMPUTED IN ADVANCE OR IF ANY PORTION OF THE FINANCE CHARGE IS
6 PREPAID AND THE AMOUNT OF THAT PORTION OF THE FINANCE CHARGE
7 EITHER COMPUTED IN ADVANCE OR PREPAID CONSTITUTES MORE THAN
8 ONE-HALF OF THE TOTAL FINANCE CHARGE APPLICABLE TO THE CONSUMER
9 CREDIT SALE OR CONSUMER LOAN.

10 (36) "PRESUMED" OR "PRESUMPTION" MEANS THAT THE TRIER OF
11 FACT MUST FIND THE EXISTENCE OF THE FACT PRESUMED UNLESS AND
12 UNTIL EVIDENCE IS INTRODUCED THAT WOULD SUPPORT A FINDING OF ITS
13 NONEXISTENCE.

14 (37) "REGULARLY" HAS THE SAME MEANING AS STATED IN THE
15 FEDERAL "TRUTH IN LENDING ACT" AND THE FEDERAL "CONSUMER
16 LEASING ACT".

17 (38) "REVOLVING CREDIT" MEANS AN ARRANGEMENT PURSUANT
18 TO WHICH:

19 (a) A CREDITOR MAY PERMIT A CONSUMER, FROM TIME TO TIME, TO
20 PURCHASE OR LEASE ON CREDIT FROM THE CREDITOR OR TO OBTAIN LOANS
21 FROM THE CREDITOR PURSUANT TO A CREDIT CARD;

22 (b) THE AMOUNTS FINANCED AND THE FINANCE AND OTHER
23 APPROPRIATE CHARGES ARE DEBITED TO AN ACCOUNT;

24 (c) THE FINANCE CHARGE, IF MADE, IS COMPUTED ON THE ACCOUNT
25 PERIODICALLY; AND

26 (d) EITHER THE CONSUMER HAS THE PRIVILEGE OF PAYING IN FULL

1 OR IN INSTALLMENTS OR THE CREDITOR PERIODICALLY IMPOSES CHARGES
2 COMPUTED ON THE ACCOUNT FOR DELAYING PAYMENT AND PERMITS THE
3 CONSUMER TO CONTINUE TO PURCHASE OR LEASE ON CREDIT.

4 (39) "SALE OF GOODS" INCLUDES ANY AGREEMENT IN THE FORM OF
5 A BAILMENT OR LEASE OF GOODS IF THE BAILEE OR LESSEE AGREES TO PAY
6 AS COMPENSATION FOR USE A SUM SUBSTANTIALLY EQUIVALENT TO OR IN
7 EXCESS OF THE AGGREGATE VALUE OF THE GOODS INVOLVED AND IT IS
8 AGREED THAT THE BAILEE OR LESSEE WILL BECOME, OR FOR NO OTHER OR
9 A NOMINAL CONSIDERATION HAS THE OPTION TO BECOME, THE OWNER OF
10 THE GOODS UPON FULL COMPLIANCE WITH HIS OR HER OBLIGATIONS UNDER
11 THE AGREEMENT.

12 (40) "SALE OF AN INTEREST IN LAND" INCLUDES A LEASE IN WHICH
13 THE LESSEE HAS AN OPTION TO PURCHASE THE INTEREST AND ALL OR A
14 SUBSTANTIAL PART OF THE RENTAL OR OTHER PAYMENTS PREVIOUSLY
15 MADE BY HIM ARE APPLIED TO THE PURCHASE PRICE.

16 (41) "SALE OF SERVICES" MEANS FURNISHING OR AGREEING TO
17 FURNISH SERVICES AND INCLUDES MAKING ARRANGEMENTS TO HAVE
18 SERVICES FURNISHED BY ANOTHER.

19 (42) "SELLER", EXCEPT AS OTHERWISE PROVIDED, INCLUDES AN
20 ASSIGNEE OF THE SELLER'S RIGHT TO PAYMENT, BUT USE OF THE TERM
21 DOES NOT IN ITSELF IMPOSE ON AN ASSIGNEE ANY OBLIGATION OF THE
22 SELLER WITH RESPECT TO EVENTS OCCURRING BEFORE THE ASSIGNMENT.

23 (43) "SELLER CREDIT CARD" MEANS AN ARRANGEMENT PURSUANT
24 TO WHICH A PERSON GIVES TO A BUYER OR LESSEE THE PRIVILEGE OF USING
25 A CREDIT CARD, LETTER OF CREDIT, OR OTHER CREDIT CONFIRMATION OR
26 IDENTIFICATION PRIMARILY FOR THE PURPOSE OF PURCHASING OR LEASING

1 GOODS OR SERVICES FROM THAT PERSON OR FROM THAT PERSON AND ANY
2 OTHER PERSON.

3 (44) "SERVICES" INCLUDES:

4 (a) WORK, LABOR, AND OTHER PERSONAL SERVICES;

5 (b) PRIVILEGES WITH RESPECT TO TRANSPORTATION, HOTEL AND
6 RESTAURANT ACCOMMODATIONS, EDUCATION, ENTERTAINMENT,
7 RECREATION, PHYSICAL CULTURE, HOSPITAL ACCOMMODATIONS,
8 FUNERALS, CEMETERY ACCOMMODATIONS, AND THE LIKE; AND

9 (c) INSURANCE PROVIDED BY A PERSON OTHER THAN THE INSURER.

10 (45) "SUPERVISED FINANCIAL ORGANIZATION" MEANS A PERSON,
11 OTHER THAN AN INSURANCE COMPANY OR OTHER ORGANIZATION
12 PRIMARILY ENGAGED IN AN INSURANCE BUSINESS:

13 (a) ORGANIZED, CHARTERED, OR HOLDING AN AUTHORIZATION
14 CERTIFICATE UNDER THE LAWS OF THIS STATE OR OF THE UNITED STATES
15 THAT AUTHORIZE THE PERSON TO MAKE LOANS AND TO RECEIVE DEPOSITS,
16 INCLUDING A SAVINGS, SHARE, CERTIFICATE, OR DEPOSIT ACCOUNT; AND

17 (b) SUBJECT TO SUPERVISION BY AN OFFICIAL OR AGENCY OF THIS
18 STATE OR OF THE UNITED STATES.

19 (46) "SUPERVISED LENDER" MEANS A PERSON AUTHORIZED TO
20 MAKE OR TAKE ASSIGNMENTS OF SUPERVISED LOANS UNDER A LICENSE
21 ISSUED BY THE ADMINISTRATOR OR AS A SUPERVISED FINANCIAL
22 ORGANIZATION.

23 (47) "SUPERVISED LOAN" MEANS A CONSUMER LOAN, INCLUDING
24 A LOAN MADE PURSUANT TO A REVOLVING CREDIT ACCOUNT, IN WHICH THE
25 RATE OF THE FINANCE CHARGE EXCEEDS TWELVE PERCENT PER YEAR AS
26 DETERMINED ACCORDING TO THE PROVISIONS ON FINANCE CHARGES

1 CONTAINED IN SECTION 5-2-201.

2 (48) "WRITTEN" OR "IN WRITING" MEANS ANY RECORD CONVEYING
3 INFORMATION AND THAT IS IN A FORM THE CONSUMER MAY RETAIN, OR IS
4 CAPABLE OF BEING DISPLAYED IN VISUAL TEXT IN A FORM THE CONSUMER
5 MAY RETAIN, INCLUDING PAPER, ELECTRONIC, DIGITAL, MAGNETIC,
6 OPTICAL, AND ELECTROMAGNETIC.

7 **5-1-302. Definitions - federal "Truth in Lending Act" and**
8 **federal "Consumer Leasing Act".** IN THIS CODE, FEDERAL "TRUTH IN
9 LENDING ACT", 15 U.S.C. SEC. 1601 ET SEQ., AND FEDERAL "CONSUMER
10 LEASING ACT", 15 U.S.C. SEC. 1667 ET SEQ., MEAN CHAPTERS OF THE
11 CONSUMER CREDIT PROTECTION ACT (PUBLIC LAW 90-321; 82 STAT.
12 146), AS AMENDED FROM TIME TO TIME, AND INCLUDE REGULATIONS
13 ISSUED PURSUANT TO THOSE ACTS.

14 **5-1-303. Index of definitions in code.** DEFINITIONS IN THIS CODE
15 AND THE SECTIONS IN WHICH THEY APPEAR ARE:

16 "ACTUARIAL METHOD"	SECTION 5-1-301 (1)
17 "ADMINISTRATOR"	SECTIONS 5-1-301 (2)
18	AND 5-6-103
19 "AGREEMENT"	SECTION 5-1-301 (3)
20 "AGRICULTURAL PURPOSE"	SECTION 5-1-301 (4)
21 "AMOUNT FINANCED"	SECTION 5-1-301 (5)
22 "BUSINESS DAY"	SECTION 5-1-301 (6)
23 "CASH PRICE"	SECTION 5-1-301 (7)
24 "CLOSING COSTS"	SECTION 5-1-301 (8)
25 "CONSPICUOUS"	SECTION 5-1-301 (9)

1	"CONSUMER"	SECTION 5-1-301 (10)
2	"CONSUMER CREDIT INSURANCE"	SECTION 5-4-103 (1)
3	"CONSUMER CREDIT SALE"	SECTION 5-1-301 (11)
4	"CONSUMER CREDIT TRANSACTION"	SECTION 5-1-301 (12)
5	"CONSUMER INSURANCE PREMIUM LOAN"	SECTION 5-1-301 (13)
6	"CONSUMER LEASE"	SECTION 5-1-301 (14)
7	"CONSUMER LOAN"	SECTION 5-1-301 (15)
8	"CREDIT"	SECTION 5-1-301 (16)
9	"CREDIT CARD BANK OR	
10	FINANCIAL INSTITUTION"	SECTION 5-2-213 (1)
11	"CREDITOR"	SECTION 5-1-301 (17)
12	"CREDIT INSURANCE ACT"	SECTION 5-4-103 (2)
13	"DWELLING"	SECTION 5-1-301 (18)
14	"EARNINGS"	SECTION 5-1-301 (19)
15	"FEDERAL "TRUTH IN LENDING ACT"" AND	
16	"FEDERAL "CONSUMER LEASING ACT""	SECTION 5-1-302
17	"FINANCE CHARGE"	SECTION 5-1-301 (20)
18	"GOODS"	SECTION 5-1-301 (21)
19	"HOME SOLICITATION SALE"	SECTION 5-3-401
20	"INVESTMENT PURPOSE"	SECTION 5-1-301 (22)
21	"LENDER"	SECTION 5-1-301 (23)
22	"LENDER CREDIT CARD OR SIMILAR	
23	ARRANGEMENT"	SECTION 5-1-301 (24)
24	"LOAN"	SECTION 5-1-301 (25)
25	"LOAN PRIMARILY SECURED BY AN	
26	INTEREST IN LAND"	SECTION 5-1-301 (26)

1	"MATERIAL DISCLOSURES"	SECTION 5-1-301 (27)
2	"MERCHANDISE CERTIFICATE"	SECTION 5-1-301 (28)
3	"MOBILE HOME"	SECTION 5-1-301 (29)
4	"OFFICIAL FEES"	SECTION 5-1-301 (30)
5	"ORGANIZATION"	SECTION 5-1-301 (31)
6	"PAYABLE IN INSTALLMENTS"	SECTION 5-1-301 (32)
7	"PERSON"	SECTION 5-1-30 (33)
8	"PERSON RELATED TO"	SECTION 5-1-301 (34)
9	"PRECOMPUTED"	SECTION 5-1-301 (35)
10	"PRESUMED" OR "PRESUMPTION"	SECTION 5-1-301 (36)
11	"RECEIVE"	SECTION 5-1-201 (10)
12	"REGULARLY"	SECTION 5-1-301 (37)
13	"RESIDENCE"	SECTION 5-1-201 (6)
14	"REVOLVING CREDIT"	SECTION 5-1-301 (38)
15	"SALE OF GOODS"	SECTION 5-1-301 (39)
16	"SALE OF AN INTEREST IN LAND"	SECTION 5-1-301 (40)
17	"SALE OF SERVICES"	SECTION 5-1-301 (41)
18	"SELLER"	SECTION 5-1-301 (42)
19	"SELLER CREDIT CARD"	SECTION 5-1-301(43)
20	"SERVICES"	SECTION 5-1-301 (44)
21	"SUPERVISED FINANCIAL ORGANIZATION"	SECTION 5-1-301 (45)
22	"SUPERVISED LENDER"	SECTION 5-1-301 (46)
23	"SUPERVISED LOAN"	SECTION 5-1-301 (47)
24	"WRITTEN" OR "IN WRITING"	SECTION 5-1-301 (48)

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ARTICLE 2

Finance Charges and Related Provisions

PART 1

GENERAL PROVISIONS

5-2-101. Short title. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS "UNIFORM CONSUMER CREDIT CODE - FINANCE CHARGES AND RELATED PROVISIONS".

5-2-102. Scope. FOR PURPOSES OF THIS ARTICLE, "CONSUMER CREDIT TRANSACTION" APPLIES TO CONSUMER LOANS, INCLUDING SUPERVISED LOANS, CONSUMER CREDIT SALES, AND REFINANCING AND CONSOLIDATIONS OF THESE TRANSACTIONS BUT DOES NOT INCLUDE CONSUMER LEASES. THE PROVISIONS CONCERNING CREDIT CARD SURCHARGES CONTAINED IN SECTION 5-2-212 APPLY TO ALL SALES AND LEASES.

PART 2

**MAXIMUM FINANCE CHARGES
AND OTHER FEES AND CHARGES**

5-2-201. Finance charge for consumer credit transactions.
(1) WITH RESPECT TO A CONSUMER LOAN OTHER THAN A SUPERVISED LOAN, INCLUDING A REVOLVING LOAN, A LENDER MAY CONTRACT FOR AND RECEIVE A FINANCE CHARGE CALCULATED ACCORDING TO THE ACTUARIAL METHOD NOT EXCEEDING TWELVE PERCENT PER YEAR ON THE UNPAID BALANCE OF THE AMOUNT FINANCED.

(2) WITH RESPECT TO A SUPERVISED LOAN OR A CONSUMER CREDIT SALE, EXCEPT FOR A LOAN OR SALE PURSUANT TO A REVOLVING ACCOUNT, A SUPERVISED LENDER OR SELLER MAY CONTRACT FOR AND RECEIVE A

1 FINANCE CHARGE, CALCULATED ACCORDING TO THE ACTUARIAL METHOD,
2 NOT EXCEEDING THE EQUIVALENT OF THE GREATER OF EITHER OF THE
3 FOLLOWING:

4 (a) THE TOTAL OF:

5 (I) THIRTY-SIX PERCENT PER YEAR ON THAT PART OF THE UNPAID
6 BALANCES OF THE AMOUNT FINANCED THAT IS ONE THOUSAND DOLLARS OR
7 LESS;

8 (II) TWENTY-ONE PERCENT PER YEAR ON THAT PART OF THE
9 UNPAID BALANCES OF THE AMOUNT FINANCED THAT IS MORE THAN ONE
10 THOUSAND DOLLARS BUT DOES NOT EXCEED THREE THOUSAND DOLLARS;
11 AND

12 (III) FIFTEEN PERCENT PER YEAR ON THAT PART OF THE UNPAID
13 BALANCES OF THE AMOUNT FINANCED THAT IS MORE THAN THREE
14 THOUSAND DOLLARS; OR

15 (b) TWENTY-ONE PERCENT PER YEAR ON THE UNPAID BALANCES OF
16 THE AMOUNT FINANCED.

17 (3) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS
18 SUBSECTION (3), THE FINANCE CHARGE FOR A SUPERVISED LOAN OR
19 CONSUMER CREDIT SALE PURSUANT TO A REVOLVING CREDIT ACCOUNT,
20 CALCULATED ACCORDING TO THE ACTUARIAL METHOD, MAY NOT EXCEED
21 TWENTY-ONE PERCENT PER YEAR ON THE UNPAID BALANCE OF THE
22 AMOUNT FINANCED.

23 (b) NOTWITHSTANDING PARAGRAPH (a) OF THIS SUBSECTION (3),
24 IF THERE IS AN UNPAID BALANCE ON THE DATE AS OF WHICH THE FINANCE
25 CHARGE IS APPLIED, THE CREDITOR MAY CONTRACT FOR AND RECEIVE A
26 MINIMUM FINANCE CHARGE NOT EXCEEDING FIFTY CENTS.

1 (4) THIS SECTION DOES NOT LIMIT OR RESTRICT THE MANNER OF
2 CONTRACTING FOR THE FINANCE CHARGE, WHETHER BY WAY OF ADD-ON,
3 DISCOUNT, SINGLE ANNUAL PERCENTAGE RATE, OR OTHERWISE, SO LONG
4 AS THE RATE OF THE FINANCE CHARGE DOES NOT EXCEED THAT PERMITTED
5 BY THIS SECTION. IF THE CONSUMER CREDIT TRANSACTION IS
6 PRECOMPUTED:

7 (a) THE FINANCE CHARGE MAY BE CALCULATED ON THE
8 ASSUMPTION THAT ALL SCHEDULED PAYMENTS WILL BE MADE WHEN DUE;
9 AND

10 (b) THE EFFECT OF PREPAYMENT IS GOVERNED BY THE PROVISIONS
11 ON REBATE UPON PREPAYMENT CONTAINED IN SECTION 5-2-211.

12 (5) EXCEPT AS PROVIDED IN SUBSECTION (8) OF THIS SECTION, THE
13 TERM OF A CONSUMER CREDIT TRANSACTION, FOR THE PURPOSES OF THIS
14 SECTION, COMMENCES ON THE DATE THE CONSUMER CREDIT TRANSACTION
15 IS MADE. DIFFERENCES IN THE LENGTHS OF MONTHS ARE DISREGARDED
16 AND A DAY MAY BE COUNTED AS ONE-THIRTIETH OF A MONTH. SUBJECT TO
17 CLASSIFICATIONS AND DIFFERENTIATIONS THE CREDITOR MAY
18 REASONABLY ESTABLISH, A PART OF A MONTH IN EXCESS OF FIFTEEN DAYS
19 MAY BE TREATED AS A FULL MONTH IF PERIODS OF FIFTEEN DAYS OR LESS
20 ARE DISREGARDED AND THAT PROCEDURE IS NOT CONSISTENTLY USED TO
21 OBTAIN A GREATER YIELD THAN WOULD OTHERWISE BE PERMITTED.

22 (6) SUBJECT TO CLASSIFICATIONS AND DIFFERENTIATIONS THE
23 CREDITOR MAY REASONABLY ESTABLISH, THE CREDITOR MAY MAKE THE
24 SAME FINANCE CHARGE ON ALL AMOUNTS FINANCED WITHIN A SPECIFIED
25 RANGE. A FINANCE CHARGE SO MADE DOES NOT VIOLATE THIS SECTION IF:

26 (a) WHEN APPLIED TO THE MEDIAN AMOUNT WITHIN EACH RANGE,

1 IT DOES NOT EXCEED THE MAXIMUM PERMITTED IN THIS SECTION; AND

2 (b) WHEN APPLIED TO THE LOWEST AMOUNT WITHIN EACH RANGE,
3 IT DOES NOT PRODUCE A RATE OF FINANCE CHARGE EXCEEDING THE RATE
4 CALCULATED ACCORDING TO PARAGRAPH (a) OF THIS SUBSECTION (6) BY
5 MORE THAN EIGHT PERCENT OF SUCH RATE.

6 (7) NOTWITHSTANDING THE PROVISIONS OF SUBSECTIONS (1), (2),
7 AND (3) OF THIS SECTION, THE CREDITOR, IN CONNECTION WITH A
8 CONSUMER CREDIT TRANSACTION OTHER THAN ONE PURSUANT TO A
9 REVOLVING CREDIT ACCOUNT, MAY CONTRACT FOR AND RECEIVE A
10 MINIMUM LOAN FINANCE CHARGE OF NOT MORE THAN TWENTY-FIVE
11 DOLLARS.

12 (8) WITH RESPECT TO A CONSUMER INSURANCE PREMIUM LOAN,
13 THE TERM OF THE LOAN COMMENCES ON THE EARLIEST INCEPTION DATE OF
14 A POLICY OR CONTRACT OF INSURANCE ON WHICH PAYMENT OF THE
15 PREMIUM IS FINANCED BY THE LOAN.

16 **5-2-202. Additional charges.** (1) IN ADDITION TO THE FINANCE
17 CHARGE PERMITTED BY THIS ARTICLE, A CREDITOR MAY CONTRACT FOR
18 AND RECEIVE THE FOLLOWING ADDITIONAL CHARGES IN CONNECTION WITH
19 A CONSUMER CREDIT TRANSACTION:

20 (a) OFFICIAL FEES AND TAXES;

21 (b) CHARGES FOR INSURANCE AS DESCRIBED IN SUBSECTION (2) OF
22 THIS SECTION;

23 (c) ANNUAL CHARGES, PAYABLE IN ADVANCE, FOR THE PRIVILEGE
24 OF USING A CREDIT CARD OR SIMILAR ARRANGEMENT;

25 (d) CHARGES FOR OTHER BENEFITS CONFERRED ON THE CONSUMER,
26 INCLUDING INSURANCE, IF THE BENEFITS ARE OF VALUE TO THE CONSUMER

1 AND IF THE CHARGES ARE REASONABLE IN RELATION TO THE BENEFITS, ARE
2 OF A TYPE THAT IS NOT FOR CREDIT, AND ARE AUTHORIZED AS PERMISSIBLE
3 ADDITIONAL CHARGES FROM THE FINANCE CHARGE BY RULE ADOPTED BY
4 THE ADMINISTRATOR;

5 (e) THE FOLLOWING CHARGES IF AGREED TO BY THE PARTIES:

6 (I) A CHARGE, NOT TO EXCEED THE GREATER OF TWO DOLLARS OR
7 TWO AND ONE-HALF PERCENT OF THE AMOUNT ADVANCED, FOR EACH CASH
8 ADVANCE TRANSACTION MADE PURSUANT TO A CREDIT CARD; AND

9 (II) A FEE, NOT TO EXCEED TWENTY-FIVE DOLLARS, ASSESSED
10 UPON RETURN OR DISHONOR OF A CHECK OR OTHER INSTRUMENT
11 TENDERED AS PAYMENT.

12 (2) NO FINANCE CHARGE MAY BE ASSESSED ON ANY CHARGE
13 LISTED IN PARAGRAPH (e) OF SUBSECTION (1) OF THIS SECTION.

14 (3) AN ADDITIONAL CHARGE MAY BE MADE FOR INSURANCE
15 WRITTEN IN CONNECTION WITH THE TRANSACTION, OTHER THAN
16 INSURANCE PROTECTING THE CREDITOR AGAINST THE CONSUMER'S
17 DEFAULT OR OTHER CREDIT LOSS, IF:

18 (a) WITH RESPECT TO INSURANCE AGAINST LOSS OF OR DAMAGE TO
19 PROPERTY OR AGAINST LIABILITY, THE CREDITOR FURNISHES A CLEAR AND
20 SPECIFIC STATEMENT IN WRITING TO THE CONSUMER SETTING FORTH THE
21 COST OF THE INSURANCE IF OBTAINED FROM OR THROUGH THE CREDITOR
22 AND STATING THAT THE CONSUMER MAY CHOOSE THE PERSON THROUGH
23 WHOM THE INSURANCE IS TO BE OBTAINED; AND

24 (b) WITH RESPECT TO CONSUMER CREDIT INSURANCE PROVIDING
25 LIFE, ACCIDENT, OR HEALTH COVERAGE, THE INSURANCE COVERAGE IS NOT
26 A FACTOR IN THE APPROVAL BY THE CREDITOR OF THE EXTENSION OF

1 CREDIT AND THIS FACT IS CLEARLY DISCLOSED IN WRITING TO THE
2 CONSUMER AND IF, IN ORDER TO OBTAIN THE INSURANCE IN CONNECTION
3 WITH THE EXTENSION OF CREDIT, THE CONSUMER GIVES SPECIFIC
4 AFFIRMATIVE WRITTEN INDICATION OF THE CONSUMER'S DESIRE TO DO SO
5 AFTER WRITTEN DISCLOSURE TO THE CONSUMER OF THE COST THEREOF.

6 (4) WITH RESPECT TO A DEBT SECURED BY AN INTEREST IN LAND,
7 BONA FIDE AND REASONABLE CLOSING COSTS DESCRIBED IN SECTION
8 5-1-301 (8) ARE ADDITIONAL CHARGES.

9 **5-2-203. Delinquency charges.** (1) WITH RESPECT TO A
10 CONSUMER CREDIT TRANSACTION, THE PARTIES MAY CONTRACT FOR A
11 DELINQUENCY CHARGE ON ANY INSTALLMENT OR MINIMUM PAYMENT NOT
12 PAID IN FULL WITHIN TEN DAYS AFTER ITS SCHEDULED DUE DATE IN AN
13 AMOUNT NOT EXCEEDING:

14 (a) FIFTEEN DOLLARS FOR A TRANSACTION NOT SECURED BY AN
15 INTEREST IN LAND; EXCEPT THAT, IF THE TRANSACTION IS PRECOMPUTED,
16 THE AMOUNT MAY NOT EXCEED THE GREATER OF FIFTEEN DOLLARS OR THE
17 DEFERRAL CHARGE DESCRIBED IN SECTION 5-2-204 (1) THAT WOULD BE
18 PERMITTED TO DEFER THE UNPAID AMOUNT OF THE INSTALLMENT FOR THE
19 PERIOD THAT IT IS DELINQUENT; OR

20 (b) FIVE PERCENT OF THE UNPAID AMOUNT OF THE INSTALLMENT
21 OR MINIMUM PAYMENT DUE FOR A TRANSACTION SECURED BY AN INTEREST
22 IN LAND.

23 (2) A DELINQUENCY CHARGE UNDER THIS SECTION MAY BE
24 COLLECTED ONLY ONCE ON AN INSTALLMENT OR MINIMUM PAYMENT
25 HOWEVER LONG IT REMAINS IN DEFAULT. NO DELINQUENCY CHARGE MAY
26 BE COLLECTED IF THE INSTALLMENT OR MINIMUM PAYMENT HAS BEEN

1 DEFERRED AND A DEFERRAL CHARGE DESCRIBED IN SECTION 5-2-204 HAS
2 BEEN PAID OR INCURRED UNTIL TEN DAYS AFTER THE DEFERRED DUE DATE.
3 A DELINQUENCY CHARGE MAY BE COLLECTED AT THE TIME IT ACCRUES OR
4 AT ANY TIME THEREAFTER.

5 (3) NO DELINQUENCY CHARGE MAY BE COLLECTED ON AN
6 INSTALLMENT OR MINIMUM PAYMENT THAT IS PAID IN FULL WITHIN TEN
7 DAYS AFTER ITS SCHEDULED INSTALLMENT DUE DATE EVEN THOUGH AN
8 EARLIER MATURING INSTALLMENT, MINIMUM PAYMENT, OR A
9 DELINQUENCY CHARGE ON AN EARLIER INSTALLMENT OR MINIMUM
10 PAYMENT MAY NOT HAVE BEEN PAID IN FULL. FOR PURPOSES OF THIS
11 SUBSECTION (3), PAYMENTS ARE APPLIED FIRST TO CURRENT
12 INSTALLMENTS OR MINIMUM PAYMENTS DUE AND THEN TO DELINQUENT
13 INSTALLMENTS OR MINIMUM PAYMENTS DUE.

14 (4) A CREDITOR WHO HAS IMPOSED A DELINQUENCY CHARGE
15 SHALL NOTIFY THE CONSUMER IN WRITING OF THE AMOUNT OF THE
16 DELINQUENCY CHARGE ASSESSED BEFORE THE DUE DATE OF THE NEXT
17 SCHEDULED PAYMENT OR, FOR A REVOLVING CREDIT ACCOUNT FOR WHICH
18 A CREDIT CARD IS ISSUED AND THAT IS NOT SECURED BY AN INTEREST IN
19 LAND, BEFORE, ON, OR WITH THE NEXT PERIODIC STATEMENT AFTER THE
20 DELINQUENCY CHARGE HAS BEEN ASSESSED. A CREDITOR SHALL NOT
21 ASSESS A DELINQUENCY CHARGE UNLESS THE DELINQUENCY CHARGE IS
22 ASSESSED WITHIN THIRTY DAYS AFTER THE SCHEDULED DUE DATE OF ANY
23 INSTALLMENT NOT PAID IN FULL OR, FOR A REVOLVING CREDIT ACCOUNT
24 FOR WHICH A CREDIT CARD IS ISSUED AND THAT IS NOT SECURED BY AN
25 INTEREST IN LAND, WITHIN NINETY DAYS AFTER THE SCHEDULED DUE DATE
26 OF THE DELINQUENT MINIMUM PAYMENT.

1 (5) NO FINANCE CHARGE MAY BE ASSESSED ON ANY DELINQUENCY
2 CHARGE. FOR PURPOSES OF THIS SECTION, FOR REVOLVING CREDIT, AN
3 INSTALLMENT IS THE MINIMUM PAYMENT THAT THE DEBTOR IS REQUIRED
4 TO MAKE DURING ANY BILLING CYCLE EXCLUDING ANY PAST-DUE AMOUNT
5 FROM ANY PREVIOUS BILLING CYCLE.

6 (6) IF TWO INSTALLMENTS OR PARTS THEREOF OF A PRECOMPUTED
7 TRANSACTION ARE IN DEFAULT FOR TEN DAYS OR MORE, THE CREDITOR
8 MAY ELECT TO CONVERT THE TRANSACTION FROM A PRECOMPUTED
9 TRANSACTION TO ONE IN WHICH THE FINANCE CHARGE IS BASED ON UNPAID
10 BALANCES, AND THE TERMS OF THE CONVERTED TRANSACTION SHALL BE
11 NO LESS FAVORABLE TO THE CONSUMER THAN THE TERMS OF THE ORIGINAL
12 TRANSACTION. IN THIS EVENT THE CREDITOR SHALL MAKE A REBATE
13 PURSUANT TO THE PROVISIONS ON REBATE UPON PREPAYMENT CONTAINED
14 IN SECTION 5-2-211 AS OF THE MATURITY DATE OF THE FIRST DELINQUENT
15 INSTALLMENT AND THEREAFTER MAY MAKE A FINANCE CHARGE AS
16 AUTHORIZED BY THE PROVISIONS ON FINANCE CHARGES. THE AMOUNT OF
17 THE REBATE SHALL NOT BE REDUCED BY THE AMOUNT OF ANY PERMITTED
18 MINIMUM CHARGE DESCRIBED IN SECTION 5-2-201. IF THE CREDITOR
19 PROCEEDS UNDER THIS SUBSECTION (6), ANY DELINQUENCY OR DEFERRAL
20 CHARGES MADE WITH RESPECT TO INSTALLMENTS DUE AT OR AFTER THE
21 MATURITY DATE OF THE FIRST DELINQUENT INSTALLMENT SHALL BE
22 REBATED AND NO FURTHER DELINQUENCY OR DEFERRAL CHARGES SHALL
23 BE MADE.

24 **5-2-204. Deferral charges.** (1) WITH RESPECT TO A
25 PRECOMPUTED CONSUMER CREDIT TRANSACTION, THE PARTIES BEFORE OR
26 AFTER DEFAULT MAY AGREE IN WRITING TO A DEFERRAL OF ALL OR PART

1 OF ONE OR MORE UNPAID INSTALLMENTS, AND THE CREDITOR MAY MAKE
2 AND COLLECT A CHARGE NOT EXCEEDING THE RATE PREVIOUSLY STATED
3 TO THE CONSUMER PURSUANT TO THE PROVISIONS ON DISCLOSURE
4 CONTAINED IN SECTION 5-3-101 APPLIED TO THE AMOUNT OR AMOUNTS
5 DEFERRED FOR THE PERIOD OF DEFERRAL CALCULATED WITHOUT REGARD
6 TO DIFFERENCES IN THE LENGTHS OF MONTHS, BUT PROPORTIONALLY FOR
7 A PART OF A MONTH, COUNTING EACH DAY AS ONE-THIRTIETH OF A MONTH.
8 A DEFERRAL CHARGE MAY BE COLLECTED AT THE TIME IT IS ASSESSED OR
9 AT ANY TIME THEREAFTER.

10 (2) THE CREDITOR, IN ADDITION TO THE DEFERRAL CHARGE, MAY
11 MAKE APPROPRIATE ADDITIONAL CHARGES DESCRIBED IN SECTION 5-2-202,
12 AND THE AMOUNT OF THESE CHARGES THAT IS NOT PAID IN CASH MAY BE
13 ADDED TO THE AMOUNT DEFERRED FOR THE PURPOSE OF CALCULATING THE
14 DEFERRAL CHARGE.

15 (3) THE PARTIES MAY AGREE IN WRITING AT THE TIME OF A
16 PRECOMPUTED CONSUMER CREDIT TRANSACTION THAT, IF AN
17 INSTALLMENT IS NOT PAID WITHIN TEN DAYS AFTER ITS DUE DATE, THE
18 CREDITOR MAY UNILATERALLY GRANT A DEFERRAL AND MAKE CHARGES
19 AS PROVIDED IN THIS SECTION. NO DEFERRAL CHARGE MAY BE MADE FOR
20 A PERIOD AFTER THE DATE THAT THE CREDITOR ELECTS TO ACCELERATE
21 THE MATURITY OF THE AGREEMENT.

22 (4) A DELINQUENCY CHARGE MADE BY THE CREDITOR ON AN
23 INSTALLMENT MAY NOT BE RETAINED IF A DEFERRAL CHARGE IS MADE
24 PURSUANT TO THIS SECTION WITH RESPECT TO THE PERIOD OF
25 DELINQUENCY.

26 (5) A DEFERRAL CHARGE MADE ACCORDING TO THIS SECTION IS

1 EARNED PRO RATA DURING THE PERIOD IN WHICH NO INSTALLMENT IS
2 SCHEDULED TO BE PAID BY REASON OF THE DEFERRAL AND IS FULLY
3 EARNED ON THE LAST DAY OF THAT PERIOD.

4 **5-2-205. Finance charge on refinancing.** (1) WITH RESPECT TO
5 A CONSUMER CREDIT TRANSACTION, THE CREDITOR MAY BY AGREEMENT
6 WITH THE CONSUMER REFINANCE THE UNPAID BALANCE AND MAY
7 CONTRACT FOR AND RECEIVE A FINANCE CHARGE BASED ON THE AMOUNT
8 FINANCED RESULTING FROM THE REFINANCING AT A RATE NOT EXCEEDING
9 THAT PERMITTED BY THE PROVISIONS ON FINANCE CHARGES. FOR THE
10 PURPOSE OF DETERMINING THE FINANCE CHARGE PERMITTED, THE AMOUNT
11 FINANCED RESULTING FROM THE REFINANCING COMPRISES THE
12 FOLLOWING:

13 (a) IF THE TRANSACTION WAS NOT PRECOMPUTED, THE TOTAL OF
14 THE UNPAID BALANCE AND THE ACCRUED CHARGES ON THE DATE OF THE
15 REFINANCING, OR, IF THE TRANSACTION WAS PRECOMPUTED, THE AMOUNT
16 THAT THE CONSUMER WOULD HAVE BEEN REQUIRED TO PAY UPON
17 PREPAYMENT PURSUANT TO THE PROVISIONS ON REBATE UPON
18 PREPAYMENT CONTAINED IN SECTION 5-2-211 ON THE DATE OF
19 REFINANCING; EXCEPT THAT, FOR THE PURPOSE OF COMPUTING THIS
20 AMOUNT, NO MINIMUM CHARGE DESCRIBED IN SECTION 5-2-201 SHALL BE
21 ALLOWED; AND

22 (b) APPROPRIATE ADDITIONAL CHARGES DESCRIBED IN SECTION
23 5-2-202, PAYMENT OF WHICH IS DEFERRED.

24 **5-2-206. Finance charge on consolidation.** IF A CONSUMER OWES
25 AN UNPAID BALANCE TO A CREDITOR WITH RESPECT TO A CONSUMER
26 CREDIT TRANSACTION AND BECOMES OBLIGATED ON ANOTHER CONSUMER

1 CREDIT TRANSACTION WITH THE SAME CREDITOR, THE PARTIES MAY AGREE
2 TO A CONSOLIDATION RESULTING IN A SINGLE SCHEDULE OF PAYMENTS. IF
3 THE PREVIOUS CONSUMER CREDIT TRANSACTION WAS NOT PRECOMPUTED,
4 THE PARTIES MAY AGREE TO ADD THE UNPAID AMOUNT OF THE AMOUNT
5 FINANCED AND ACCRUED CHARGES ON THE DATE OF CONSOLIDATION TO
6 THE AMOUNT FINANCED WITH RESPECT TO THE SUBSEQUENT CONSUMER
7 CREDIT TRANSACTION. IF THE PREVIOUS CONSUMER CREDIT TRANSACTION
8 WAS PRECOMPUTED, THE PARTIES MAY AGREE TO REFINANCE THE UNPAID
9 BALANCE PURSUANT TO THE PROVISIONS ON REFINANCING CONTAINED IN
10 SECTION 5-2-205 AND TO CONSOLIDATE THE AMOUNT FINANCED
11 RESULTING FROM THE REFINANCING BY ADDING IT TO THE AMOUNT
12 FINANCED WITH RESPECT TO THE SUBSEQUENT CONSUMER CREDIT
13 TRANSACTION. IN EITHER CASE, THE CREDITOR MAY CONTRACT FOR AND
14 RECEIVE A FINANCE CHARGE BASED ON THE AGGREGATE AMOUNT
15 FINANCED RESULTING FROM THE CONSOLIDATION AT A RATE NOT IN
16 EXCESS OF THAT PERMITTED BY THE PROVISIONS ON FINANCE CHARGES.

17 **5-2-207. Prepaid finance charge.** (1) SUBJECT TO THE
18 PROVISIONS OF SUBSECTION (2) OF THIS SECTION, A CREDITOR MAY
19 CONTRACT FOR THE PAYMENT BY THE CONSUMER OF A PREPAID FINANCE
20 CHARGE; EXCEPT THAT THE TOTAL FINANCE CHARGE CONTRACTED FOR
21 AND RECEIVED BY THE CREDITOR SHALL NOT EXCEED THAT PERMITTED FOR
22 CONSUMER CREDIT TRANSACTIONS.

23 (2) WITH RESPECT TO A REFINANCING PURSUANT TO SECTION
24 5-2-205 OR CONSOLIDATION PURSUANT TO SECTION 5-2-206 OF A
25 PREVIOUS CONSUMER CREDIT TRANSACTION FOR WHICH A PREPAID
26 FINANCE CHARGE WAS IMPOSED, IF SAID REFINANCING OR CONSOLIDATION

1 IS CONSUMMATED WITHIN ONE YEAR AFTER THE PREVIOUS TRANSACTION,
2 A NEW PREPAID FINANCE CHARGE MAY BE IMPOSED:

3 (a) ONLY ON THAT PORTION OF THE AGGREGATE AMOUNT
4 FINANCED RESULTING FROM THE REFINANCING OR CONSOLIDATION THAT
5 EXCEEDS THE UNPAID BALANCE OF THE PREVIOUS TRANSACTION
6 DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5-2-205
7 OR SECTION 5-2-206, WHICHEVER IS APPROPRIATE; OR

8 (b) ON THE AGGREGATE AMOUNT FINANCED RESULTING FROM THE
9 REFINANCING OR CONSOLIDATION; EXCEPT THAT ANY UNEARNED PORTION
10 OF THE PREPAID FINANCE CHARGE IMPOSED IN CONNECTION WITH THE
11 PREVIOUS TRANSACTION SHALL BE REBATED TO THE CONSUMER IN
12 ACCORDANCE WITH THE ACTUARIAL METHOD AS DEFINED IN SECTION
13 5-1-301 AND APPLICABLE RULES ADOPTED BY THE ADMINISTRATOR.

14 **5-2-208. Conversion to revolving account.** THE PARTIES MAY
15 AGREE TO ADD TO A REVOLVING ACCOUNT THE UNPAID BALANCE OF A
16 CONSUMER CREDIT TRANSACTION NOT MADE PURSUANT TO A REVOLVING
17 ACCOUNT. THE UNPAID BALANCE IS AN AMOUNT EQUAL TO THE AMOUNT
18 FINANCED DETERMINED ACCORDING TO THE PROVISIONS ON REFINANCING
19 CONTAINED IN SECTION 5-2-205.

20 **5-2-209. Advances to perform covenants of consumer.** (1) IF
21 THE AGREEMENT WITH RESPECT TO A CONSUMER CREDIT TRANSACTION
22 CONTAINS COVENANTS BY THE CONSUMER TO PERFORM CERTAIN DUTIES
23 PERTAINING TO INSURING OR PRESERVING COLLATERAL, AND THE
24 CREDITOR PURSUANT TO THE AGREEMENT PAYS FOR PERFORMANCE OF THE
25 DUTIES ON BEHALF OF THE CONSUMER, THE CREDITOR MAY ADD THE
26 AMOUNTS PAID TO THE DEBT IF:

1 (a) THE EXPENDITURE IS REASONABLE TO PROTECT THE RISK OF
2 LOSS OR DAMAGE TO THE PROPERTY;

3 (b) THE CREDITOR HAS MAILED TO THE CONSUMER, AT THE
4 CONSUMER'S LAST KNOWN ADDRESS, WRITTEN NOTICE OF THE CONSUMER'S
5 NONPERFORMANCE AND HAS GIVEN THE CONSUMER REASONABLE
6 OPPORTUNITY AFTER SUCH NOTICE TO SO PERFORM; AND

7 (c) IN THE ABSENCE OF PERFORMANCE, THE CREDITOR HAS MADE
8 ALL EXPENDITURES ON BEHALF OF THE CONSUMER IN GOOD FAITH AND IN
9 A COMMERCIALY REASONABLE MANNER.

10 (2) WITHIN A REASONABLE TIME AFTER ADVANCING ANY SUMS,
11 THE CREDITOR SHALL STATE TO THE CONSUMER IN WRITING THE AMOUNT
12 OF THE SUMS ADVANCED, ANY CHARGES WITH RESPECT TO THIS AMOUNT,
13 AND ANY REVISED PAYMENT SCHEDULE, AND, IF THE DUTIES OF THE
14 CONSUMER PERFORMED BY THE CREDITOR PERTAIN TO INSURANCE, A BRIEF
15 DESCRIPTION OF THE INSURANCE PAID FOR BY THE CREDITOR INCLUDING
16 THE TYPE AND AMOUNT OF COVERAGE. NO FURTHER INFORMATION NEED
17 BE GIVEN.

18 (3) A FINANCE CHARGE MAY BE MADE FOR SUMS ADVANCED
19 PURSUANT TO THIS SECTION AT A RATE NOT EXCEEDING THE RATE STATED
20 TO THE CONSUMER PURSUANT TO THE PROVISIONS ON DISCLOSURE
21 CONTAINED IN SECTION 5-3-101 WITH RESPECT TO THE CONSUMER CREDIT
22 TRANSACTION; EXCEPT THAT, WITH RESPECT TO A REVOLVING ACCOUNT,
23 THE AMOUNT OF THE ADVANCE MAY BE ADDED TO THE UNPAID BALANCE
24 OF THE DEBT AND THE CREDITOR MAY MAKE A FINANCE CHARGE NOT
25 EXCEEDING THAT PERMITTED BY THE PROVISIONS ON FINANCE CHARGES.

26 **5-2-210. Right to prepay.** SUBJECT TO THE PROVISIONS ON

1 REBATE UPON PREPAYMENT CONTAINED IN SECTION 5-2-211, THE
2 CONSUMER MAY PREPAY IN FULL, OR IN PART IF PAYMENT IS NO LESS THAN
3 FIVE DOLLARS, THE UNPAID BALANCE OF A CONSUMER CREDIT
4 TRANSACTION AT ANY TIME WITHOUT PENALTY. A PAYMENT IN THE
5 AMOUNT OF A SCHEDULED INSTALLMENT, OTHER THAN THE LAST
6 SCHEDULED INSTALLMENT, NOT IDENTIFIED BY THE CONSUMER AS A
7 PARTIAL PREPAYMENT SHALL NOT BE DEEMED TO BE A PARTIAL
8 PREPAYMENT REGARDLESS OF WHEN THE PAYMENT IS MADE IF THE
9 AMOUNT EQUALS THE NEXT SCHEDULED INSTALLMENT. IF SUCH A
10 PAYMENT IS APPLIED BY THE CREDITOR TO THE SCHEDULED INSTALLMENT,
11 THE PAYMENT SHALL BE DEEMED TO HAVE BEEN MADE ON THE DUE DATE
12 FOR THE SCHEDULED INSTALLMENT TO WHICH IT WAS APPLIED.

13 **5-2-211. Rebate upon prepayment.** (1) EXCEPT AS OTHERWISE
14 PROVIDED IN THIS SECTION, UPON PREPAYMENT IN FULL OF THE UNPAID
15 BALANCE OF A PRECOMPUTED CONSUMER CREDIT TRANSACTION, AN
16 AMOUNT NOT LESS THAN THE UNEARNED PORTION OF THE FINANCE CHARGE
17 CALCULATED ACCORDING TO THIS SECTION SHALL BE REBATED TO THE
18 CONSUMER. IF THE REBATE OTHERWISE REQUIRED IS LESS THAN ONE
19 DOLLAR, NO REBATE NEED BE MADE.

20 (2) UPON PREPAYMENT IN FULL OF A CONSUMER CREDIT
21 TRANSACTION, OTHER THAN ONE PURSUANT TO A REVOLVING ACCOUNT, A
22 REFINANCING, OR A CONSOLIDATION, WHETHER OR NOT PRECOMPUTED,
23 THE CREDITOR MAY COLLECT OR RETAIN A MINIMUM CHARGE WITHIN THE
24 LIMITS STATED IN THIS SUBSECTION (2) IF THE FINANCE CHARGE EARNED
25 AT THE TIME OF PREPAYMENT IS LESS THAN ANY MINIMUM CHARGE
26 CONTRACTED FOR. THE MINIMUM CHARGE MAY NOT EXCEED THE LESSER

1 OF THE AMOUNT OF FINANCE CHARGE CONTRACTED FOR OR TWENTY-FIVE
2 DOLLARS.

3 (3) (a) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE
4 UNEARNED PORTION OF THE FINANCE CHARGE IS A FRACTION OF THE
5 FINANCE CHARGE OF WHICH THE NUMERATOR IS THE SUM OF THE PERIODIC
6 BALANCES SCHEDULED TO FOLLOW THE COMPUTATIONAL PERIOD IN WHICH
7 PREPAYMENT OCCURS, AND THE DENOMINATOR IS THE SUM OF ALL
8 PERIODIC BALANCES UNDER EITHER THE CONSUMER CREDIT AGREEMENT
9 OR, IF THE BALANCE OWING RESULTED FROM A REFINANCING DESCRIBED
10 IN SECTION 5-2-205 OR A CONSOLIDATION DESCRIBED IN SECTION 5-2-206,
11 UNDER THE REFINANCING AGREEMENT OR CONSOLIDATION AGREEMENT.

12 (b) WITH RESPECT TO A PRECOMPUTED TRANSACTION ENTERED
13 INTO ON OR AFTER OCTOBER 28, 1975, AND PAYABLE ACCORDING TO ITS
14 ORIGINAL TERMS IN MORE THAN SIXTY-ONE INSTALLMENTS OR ON ANY
15 PRECOMPUTED TRANSACTION ENTERED INTO ON OR AFTER JANUARY 1,
16 1982, THE UNEARNED PORTION OF THE LOAN FINANCE CHARGE IS, AT THE
17 OPTION OF THE LENDER, EITHER:

18 (I) THAT PORTION THAT IS APPLICABLE TO ALL FULLY UNEXPIRED
19 COMPUTATIONAL PERIODS AS ORIGINALLY SCHEDULED, OR IF DEFERRED,
20 AS DEFERRED, THAT FOLLOW THE DATE OF PREPAYMENT. FOR THIS
21 PURPOSE, THE APPLICABLE CHARGE IS THE TOTAL OF THAT WHICH WOULD
22 HAVE BEEN MADE FOR EACH SUCH PERIOD, HAD THE CONSUMER CREDIT
23 TRANSACTION NOT BEEN PRECOMPUTED, BY APPLYING TO UNPAID
24 BALANCES OF THE AMOUNT FINANCED, ACCORDING TO THE ACTUARIAL
25 METHOD, THE ANNUAL PERCENTAGE RATE OF CHARGE PREVIOUSLY STATED
26 TO THE CONSUMER PURSUANT TO THE PROVISIONS ON DISCLOSURE

1 CONTAINED IN SECTION 5-3-101 BASED UPON THE ASSUMPTION THAT ALL
2 PAYMENTS WERE MADE AS ORIGINALLY SCHEDULED, OR IF DEFERRED, AS
3 DEFERRED. THE CREDITOR, AT THE CREDITOR'S OPTION, MAY ROUND THE
4 ANNUAL PERCENTAGE RATE TO THE NEAREST ONE-HALF OF ONE PERCENT
5 SO LONG AS SUCH PROCEDURE IS NOT CONSISTENTLY USED TO OBTAIN A
6 GREATER YIELD THAN WOULD OTHERWISE BE PERMITTED; OR

7 (II) THE TOTAL FINANCE CHARGE MINUS THE EARNED FINANCE
8 CHARGE. THE EARNED FINANCE CHARGE SHALL BE DETERMINED BY
9 APPLYING THE ANNUAL PERCENTAGE RATE PREVIOUSLY STATED TO THE
10 CONSUMER PURSUANT TO THE PROVISIONS ON DISCLOSURE CONTAINED IN
11 SECTION 5-3-101 ACCORDING TO THE ACTUARIAL METHOD TO THE ACTUAL
12 UNPAID BALANCES FOR THE ACTUAL TIME THE BALANCES WERE UNPAID UP
13 TO THE DATE OF PREPAYMENT. IF A DELINQUENCY OR DEFERRAL CHARGE
14 WAS COLLECTED, IT SHALL BE TREATED AS A PAYMENT.

15 (c) IN THE CASE OF A CONSUMER CREDIT TRANSACTION PRIMARILY
16 SECURED BY AN INTEREST IN LAND, REASONABLE SUMS ACTUALLY PAID OR
17 PAYABLE TO PERSONS NOT RELATED TO THE CREDITOR FOR CUSTOMARY
18 CLOSING COSTS INCLUDED IN THE FINANCE CHARGE SHALL BE DEDUCTED
19 FROM THE FINANCE CHARGE BEFORE THE CALCULATION PRESCRIBED BY
20 THIS SUBSECTION (3) IS MADE.

21 (4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES:

23 (a) "COMPUTATIONAL PERIOD" MEANS ONE MONTH IF ONE-HALF OR
24 MORE OF THE INTERVALS BETWEEN SCHEDULED PAYMENTS UNDER THE
25 AGREEMENT IS ONE MONTH OR MORE AND OTHERWISE MEANS ONE WEEK.

26 (b) THE "INTERVAL" TO THE DUE DATE OF THE FIRST SCHEDULED

1 INSTALLMENT OR THE FINAL SCHEDULED PAYMENT DATE IS MEASURED
2 FROM THE DATE OF A CONSUMER CREDIT TRANSACTION AND INCLUDES
3 EITHER THE FIRST OR LAST DAY OF THE INTERVAL. IF THE INTERVAL TO
4 THE DUE DATE OF THE FIRST SCHEDULED INSTALLMENT DOES NOT EXCEED
5 ONE MONTH BY MORE THAN FIFTEEN DAYS WHEN THE COMPUTATIONAL
6 PERIOD IS ONE MONTH OR ELEVEN DAYS WHEN THE COMPUTATIONAL
7 PERIOD IS ONE WEEK, THE INTERVAL SHALL BE CONSIDERED AS ONE
8 COMPUTATIONAL PERIOD.

9 (c) "PERIODIC BALANCE" MEANS THE AMOUNT SCHEDULED TO BE
10 OUTSTANDING ON THE LAST DAY OF A COMPUTATIONAL PERIOD BEFORE
11 DEDUCTING THE PAYMENT, IF ANY, SCHEDULED TO BE MADE ON THAT DAY.

12 (5) (a) THIS SUBSECTION (5) APPLIES ONLY IF THE SCHEDULE OF
13 PAYMENTS IS NOT REGULAR.

14 (b) IF THE COMPUTATIONAL PERIOD IS ONE MONTH AND:

15 (I) IF THE NUMBER OF DAYS IN THE INTERVAL TO THE DUE DATE OF
16 THE FIRST SCHEDULED INSTALLMENT IS LESS THAN ONE MONTH BY MORE
17 THAN FIVE DAYS OR MORE THAN ONE MONTH BY MORE THAN FIVE BUT NOT
18 MORE THAN FIFTEEN DAYS, THE UNEARNED FINANCE CHARGE SHALL BE
19 INCREASED BY AN ADJUSTMENT FOR EACH DAY BY WHICH THE INTERVAL
20 IS LESS THAN ONE MONTH AND, AT THE OPTION OF THE CREDITOR, MAY BE
21 REDUCED BY AN ADJUSTMENT FOR EACH DAY BY WHICH THE INTERVAL IS
22 MORE THAN ONE MONTH; THE ADJUSTMENT FOR EACH DAY SHALL BE
23 ONE-THIRTIETH OF THAT PART OF THE FINANCE CHARGE EARNED IN THE
24 COMPUTATIONAL PERIOD PRIOR TO THE DUE DATE OF THE FIRST
25 SCHEDULED INSTALLMENT ASSUMING THAT PERIOD TO BE ONE MONTH; AND

26 (II) IF THE INTERVAL TO THE FINAL SCHEDULED PAYMENT DATE IS

1 A NUMBER OF COMPUTATIONAL PERIODS PLUS AN ADDITIONAL NUMBER OF
2 DAYS LESS THAN A FULL MONTH, THE ADDITIONAL NUMBER OF DAYS SHALL
3 BE CONSIDERED A COMPUTATIONAL PERIOD ONLY IF SIXTEEN DAYS OR
4 MORE. THIS SUBPARAGRAPH (II) APPLIES WHETHER OR NOT
5 SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) APPLIES.

6 (c) NOTWITHSTANDING PARAGRAPH (b) OF THIS SUBSECTION (5),
7 IF THE COMPUTATIONAL PERIOD IS ONE MONTH, THE NUMBER OF DAYS IN
8 THE INTERVAL TO THE DUE DATE OF THE FIRST INSTALLMENT EXCEEDS ONE
9 MONTH BY NOT MORE THAN FIFTEEN DAYS AND THE SCHEDULE OF
10 PAYMENTS IS OTHERWISE REGULAR, THE CREDITOR AT THE CREDITOR'S
11 OPTION MAY EXCLUDE THE EXTRA DAYS AND THE CHARGE FOR THE EXTRA
12 DAYS IN COMPUTING THE UNEARNED FINANCE CHARGE; BUT IF THE
13 CREDITOR DOES SO AND A REBATE IS REQUIRED BEFORE THE DUE DATE OF
14 THE FIRST SCHEDULED INSTALLMENT, THE CREDITOR SHALL COMPUTE THE
15 EARNED CHARGE FOR EACH ELAPSED DAY AS ONE-THIRTIETH OF THE
16 AMOUNT THE EARNED CHARGE WOULD HAVE BEEN IF THE FIRST INTERVAL
17 HAD BEEN ONE MONTH.

18 (d) IF THE COMPUTATIONAL PERIOD IS ONE WEEK AND:

19 (I) IF THE NUMBER OF DAYS IN THE INTERVAL TO THE DUE DATE OF
20 THE FIRST SCHEDULED INSTALLMENT IS LESS THAN FIVE DAYS OR MORE
21 THAN NINE DAYS BUT NOT MORE THAN ELEVEN DAYS, THE UNEARNED
22 FINANCE CHARGE SHALL BE INCREASED BY AN ADJUSTMENT FOR EACH DAY
23 BY WHICH THE INTERVAL IS LESS THAN SEVEN DAYS AND, AT THE OPTION
24 OF THE CREDITOR, MAY BE REDUCED BY AN ADJUSTMENT FOR EACH DAY
25 BY WHICH THE INTERVAL IS MORE THAN SEVEN DAYS; THE ADJUSTMENT
26 FOR EACH DAY SHALL BE ONE-SEVENTH OF THAT PART OF THE LOAN

1 FINANCE CHARGE EARNED IN THE COMPUTATIONAL PERIOD PRIOR TO THE
2 DUE DATE OF THE FIRST SCHEDULED INSTALLMENT ASSUMING THAT PERIOD
3 TO BE ONE WEEK; AND

4 (II) IF THE INTERVAL TO THE FINAL SCHEDULED PAYMENT DATE IS
5 A NUMBER OF COMPUTATIONAL PERIODS PLUS AN ADDITIONAL NUMBER OF
6 DAYS LESS THAN A FULL WEEK, THE ADDITIONAL NUMBER OF DAYS SHALL
7 BE CONSIDERED A COMPUTATIONAL PERIOD ONLY IF FOUR DAYS OR MORE.
8 THIS SUBPARAGRAPH (II) APPLIES WHETHER OR NOT SUBPARAGRAPH (I) OF
9 THIS PARAGRAPH (d) APPLIES.

10 (6) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF
11 SUBSECTION (3) OF THIS SECTION, IF A DEFERRAL DESCRIBED IN SECTION
12 5-2-204 HAS BEEN AGREED TO, THE UNEARNED PORTION OF THE FINANCE
13 CHARGE IS THE PORTION THEREOF ATTRIBUTABLE ACCORDING TO THE SUM
14 OF THE BALANCES METHOD TO THE PERIOD FROM THE FIRST DAY OF THE
15 COMPUTATIONAL PERIOD FOLLOWING THAT IN WHICH PREPAYMENT
16 OCCURS; EXCEPT THAT THE NUMERATOR OF THE FRACTION IS THE SUM OF
17 THE PERIODIC BALANCES, AFTER RESCHEDULING TO GIVE EFFECT TO ANY
18 DEFERRAL, SCHEDULED TO FOLLOW THE COMPUTATIONAL PERIOD IN
19 WHICH PREPAYMENT OCCURS. A SEPARATE REBATE OF THE DEFERRAL
20 CHARGE IS NOT REQUIRED UNLESS THE UNPAID BALANCE OF THE
21 TRANSACTION IS PAID IN FULL DURING THE DEFERRAL PERIOD, IN WHICH
22 EVENT THE CREDITOR SHALL ALSO REBATE THE UNEARNED PORTION OF THE
23 DEFERRAL CHARGE.

24 (7) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF
25 SUBSECTION (3) OF THIS SECTION, THIS SECTION DOES NOT PRECLUDE THE
26 COLLECTION OR RETENTION BY THE CREDITOR OF DELINQUENCY CHARGES

1 DESCRIBED IN SECTION 5-2-203.

2 (8) IF THE MATURITY IS ACCELERATED FOR ANY REASON AND
3 JUDGMENT IS OBTAINED, THE CONSUMER IS ENTITLED TO THE SAME REBATE
4 AS IF PAYMENT HAD BEEN MADE ON THE DATE JUDGMENT IS ENTERED.

5 (9) UPON PREPAYMENT IN FULL OF A CONSUMER CREDIT
6 TRANSACTION BY THE PROCEEDS OF CONSUMER CREDIT INSURANCE
7 DESCRIBED IN SECTION 5-4-103, THE CONSUMER OR THE CONSUMER'S
8 ESTATE IS ENTITLED TO THE SAME REBATE AS THOUGH THE CONSUMER HAD
9 PREPAID THE AGREEMENT ON THE DATE THE PROCEEDS OF THE INSURANCE
10 ARE PAID TO THE CREDITOR BUT NO LATER THAN TEN BUSINESS DAYS
11 AFTER SATISFACTORY PROOF OF LOSS IS FURNISHED TO THE CREDITOR.

12 **5-2-212. Surcharges on credit transactions - prohibition on.**

13 (1) EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 24-19.5-103 (2) AND
14 29-11.5-103 (2), C.R.S., NO SELLER OR LESSOR IN ANY SALES OR LEASE
15 TRANSACTION OR ANY COMPANY ISSUING CREDIT OR CHARGE CARDS MAY
16 IMPOSE A SURCHARGE ON A HOLDER WHO ELECTS TO USE A CREDIT OR
17 CHARGE CARD IN LIEU OF PAYMENT BY CASH, CHECK, OR SIMILAR MEANS.
18 A SURCHARGE IS ANY ADDITIONAL AMOUNT IMPOSED AT THE TIME OF THE
19 SALES OR LEASE TRANSACTION BY THE MERCHANT, SELLER, OR LESSOR
20 THAT INCREASES THE CHARGE TO THE BUYER OR LESSEE FOR THE
21 PRIVILEGE OF USING A CREDIT OR CHARGE CARD. FOR PURPOSES OF THIS
22 SECTION, CHARGE CARD INCLUDES THOSE CARDS PURSUANT TO WHICH
23 UNPAID BALANCES ARE PAYABLE ON DEMAND.

24 (2) A DISCOUNT OFFERED BY A SELLER OR LESSOR FOR THE
25 PURPOSE OF INDUCING PAYMENT BY CASH, CHECK, OR OTHER MEANS NOT
26 INVOLVING THE USE OF A SELLER OR LENDER CREDIT CARD SHALL NOT

1 CONSTITUTE A FINANCE CHARGE IF SUCH DISCOUNT IS OFFERED TO ALL
2 PROSPECTIVE BUYERS AND ITS AVAILABILITY IS DISCLOSED TO ALL
3 PROSPECTIVE BUYERS CLEARLY AND CONSPICUOUSLY IN ACCORDANCE
4 WITH REGULATIONS OF THE ADMINISTRATOR.

5 **5-2-213. Lender and seller credit cards.** (1) FOR PURPOSES OF
6 THIS SECTION, "CREDIT CARD BANK OR FINANCIAL INSTITUTION" MEANS A
7 COMMERCIAL BANK, INDUSTRIAL BANK, CREDIT UNION, THRIFT, SAVINGS
8 AND LOAN ASSOCIATION, SAVINGS BANK, OR OTHER STATE OR FEDERALLY
9 SUPERVISED INSTITUTION IN THIS STATE THAT ISSUES CREDIT CARDS AND
10 MAY EXPORT RATES AND FEES PURSUANT TO THE "NATIONAL BANK ACT",
11 12 U.S.C. SEC. 85, "DEPOSITORY INSTITUTIONS DEREGULATION AND
12 MONETARY CONTROL ACT OF 1989", 12 U.S.C. SEC. 1463, 1785, AND
13 1831d, "FEDERAL CREDIT UNION ACT", 12 U.S.C. SEC. 1757,
14 "DEPOSITORY INSTITUTIONS ACT", INCLUDING THE "ALTERNATIVE
15 MORTGAGE TRANSACTION PARITY ACT OF 1982", 12 U.S.C. SEC. 3801 TO
16 3805, AND ANY REGULATION THEREUNDER.

17 (2) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS PART 2,
18 WITH RESPECT TO A LENDER OR SELLER CREDIT CARD ISSUED BY A CREDIT
19 CARD BANK OR FINANCIAL INSTITUTION:

20 (a) THE FINANCE CHARGE, CALCULATED ACCORDING TO THE
21 ACTUARIAL METHOD, MAY NOT EXCEED FORTY-FIVE PERCENT PER YEAR
22 PURSUANT TO SECTION 18-15-104, C.R.S.; AND

23 (b) ANY FEES IMPOSED FOR A MINIMUM FINANCE CHARGE
24 DESCRIBED IN SECTION 5-2-201 (3) (b), ANNUAL CHARGES DESCRIBED IN
25 SECTION 5-2-202 (1) (c), CASH ADVANCES DESCRIBED IN SECTION 5-2-202
26 (1) (e) (I), RETURN OR DISHONOR OF A CHECK DESCRIBED IN SECTION

1 5-2-202 (1) (e) (II), DELINQUENCY DESCRIBED IN SECTION 5-2-203, OR
2 EXCEEDING THE CREDIT LIMIT MAY BE IN AN AMOUNT ESTABLISHED BY
3 WRITTEN AGREEMENT OF THE PARTIES.

4 PART 3

5 SUPERVISED LOANS AND SUPERVISED LENDERS

6 **5-2-301. Authority to make supervised loans.** (1) UNLESS A
7 PERSON IS A SUPERVISED FINANCIAL ORGANIZATION OR HAS FIRST
8 OBTAINED A LICENSE FROM THE ADMINISTRATOR AUTHORIZING HIM OR HER
9 TO MAKE SUPERVISED LOANS, HE OR SHE SHALL NOT ENGAGE IN THE
10 BUSINESS OF:

11 (a) MAKING SUPERVISED LOANS OR UNDERTAKING DIRECT
12 COLLECTION OF PAYMENTS FROM OR ENFORCEMENT OF RIGHTS AGAINST
13 CONSUMERS ARISING FROM SUPERVISED LOANS HE OR SHE HAS
14 PREVIOUSLY MADE; OR

15 (b) TAKING ASSIGNMENTS OF AND UNDERTAKING DIRECT
16 COLLECTION OF PAYMENTS FROM OR ENFORCEMENT OF RIGHTS AGAINST
17 CONSUMERS ARISING FROM SUPERVISED LOANS.

18 **5-2-302. License to make supervised loans.** (1) THE
19 ADMINISTRATOR SHALL RECEIVE AND ACT ON ALL APPLICATIONS FOR
20 LICENSES TO MAKE SUPERVISED LOANS UNDER THIS CODE. APPLICATIONS
21 SHALL BE FILED IN THE MANNER PRESCRIBED BY THE ADMINISTRATOR AND
22 SHALL CONTAIN SUCH INFORMATION AS THE ADMINISTRATOR MAY
23 REASONABLY REQUIRE. NO LICENSE SHALL BE ISSUED WITHOUT PAYMENT
24 OF A NONREFUNDABLE LICENSE FEE OF FOUR HUNDRED DOLLARS. THE
25 LICENSE YEAR SHALL BE THE CALENDAR YEAR.

26 (2) NO LICENSE SHALL BE ISSUED UNLESS THE ADMINISTRATOR,

1 UPON INVESTIGATION, FINDS THAT THE FINANCIAL RESPONSIBILITY,
2 CHARACTER, AND FITNESS OF THE APPLICANT AND OF THE MEMBERS,
3 MANAGERS, PARTNERS, OFFICERS, AND DIRECTORS THEREOF ARE SUCH AS
4 TO WARRANT BELIEF THAT THE BUSINESS WILL BE OPERATED HONESTLY
5 AND FAIRLY WITHIN THE PURPOSES OF THIS CODE. IN DETERMINING
6 FINANCIAL RESPONSIBILITY OF AN APPLICANT PROPOSING TO ENGAGE IN
7 MAKING CONSUMER INSURANCE PREMIUM LOANS, THE ADMINISTRATOR
8 SHALL CONSIDER THE LIABILITIES THE LENDER MAY INCUR FOR ERRONEOUS
9 CANCELLATION OF INSURANCE. THE ADMINISTRATOR MAY DENY AN
10 APPLICATION FOR LICENSURE FOR ANY OF THE GROUNDS PROVIDED IN
11 SECTION 5-2-303.

12 (3) (a) UPON WRITTEN REQUEST, THE APPLICANT IS ENTITLED TO A
13 HEARING ON THE QUESTION OF THE APPLICANT'S QUALIFICATIONS FOR A
14 LICENSE IF:

15 (I) THE ADMINISTRATOR HAS NOTIFIED THE APPLICANT IN WRITING
16 THAT HIS OR HER APPLICATION HAS BEEN DENIED; OR

17 (II) THE ADMINISTRATOR HAS NOT ISSUED A LICENSE WITHIN SIXTY
18 DAYS AFTER THE APPLICATION FOR THE LICENSE WAS FILED.

19 (b) A REQUEST FOR A HEARING MAY NOT BE MADE MORE THAN
20 SIXTY DAYS AFTER THE ADMINISTRATOR HAS MAILED A WRITING TO THE
21 APPLICANT NOTIFYING THE APPLICANT THAT THE APPLICATION HAS BEEN
22 DENIED AND STATING IN SUBSTANCE THE ADMINISTRATOR'S FINDINGS
23 SUPPORTING DENIAL OF THE APPLICATION.

24 (4) IF A SUPERVISED LENDER HAS MORE THAN ONE PLACE OF
25 BUSINESS, IT MUST OBTAIN A MASTER LICENSE. THE ADMINISTRATOR MAY
26 AUTHORIZE THE ADDITION OF BRANCH LOCATIONS TO THE MASTER

1 LICENSE. A SEPARATE LICENSE FEE AND PROOF OF FINANCIAL
2 RESPONSIBILITY SHALL BE REQUIRED FOR EACH AUTHORIZED BRANCH
3 LOCATION. EACH MASTER LICENSE AND BRANCH LOCATION LICENSE SHALL
4 REMAIN IN FULL FORCE AND EFFECT UNTIL SURRENDERED, SUSPENDED, OR
5 REVOKED.

6 (5) (a) THE APPLICATION FOR APPROVAL OF A BRANCH LOCATION
7 LICENSE MAY BE MORE ABBREVIATED THAN THE APPLICATION FOR A NEW
8 OR MASTER SUPERVISED LENDER'S LICENSE. AN APPLICATION FOR A
9 BRANCH LOCATION LICENSE MAY BE FILED BY ANY MEANS, INCLUDING
10 FACSIMILE OR ELECTRONIC FILING, FOLLOWED BY THE LICENSE FEE
11 REQUIRED BY THIS SECTION.

12 (b) UPON RECEIPT OF A COMPLETED BRANCH LOCATION LICENSE
13 APPLICATION AND THE REQUIRED LICENSE FEE, THE BRANCH LOCATION IS
14 AUTOMATICALLY LICENSED FOR A TEMPORARY PERIOD NOT TO EXCEED
15 ONE HUNDRED TWENTY DAYS. IF THE ADMINISTRATOR DOES NOT DENY
16 THE BRANCH LOCATION APPLICATION ON OR BEFORE THE END OF THAT
17 PERIOD, THE TEMPORARY BRANCH LOCATION LICENSE SHALL BECOME
18 PERMANENT. THE ADMINISTRATOR MAY DENY AN APPLICATION FOR A
19 BRANCH LOCATION FOR ANY OF THE GROUNDS PROVIDED IN SECTIONS
20 5-2-302 (2) AND 5-2-303.

21 (c) THE ADMINISTRATOR'S APPROVAL OF AN ADDITIONAL BRANCH
22 LOCATION LICENSE MAY BE PROVIDED BY LETTER. NO LICENSE
23 CERTIFICATE NEED BE ISSUED FOR A LICENSED BRANCH LOCATION. ALL
24 PROVISIONS OF THIS PART 3 RELATING TO LICENSES APPLY EQUALLY TO
25 BRANCH LOCATION LICENSES.

26 (6) NO LICENSEE SHALL CHANGE THE LOCATION OF ANY PLACE OF

1 BUSINESS OR LICENSE WITHOUT GIVING THE ADMINISTRATOR AT LEAST
2 FIFTEEN DAYS PRIOR WRITTEN NOTICE. THE ADMINISTRATOR MAY BY RULE
3 PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.,
4 ESTABLISH AN ADMINISTRATIVE FEE FOR SUCH A CHANGE OF ADDRESS.

5 (7) A LICENSEE SHALL NOT ENGAGE IN THE BUSINESS OF MAKING
6 SUPERVISED LOANS AT ANY PLACE OF BUSINESS FOR WHICH THE LICENSEE
7 DOES NOT HOLD A LICENSE, NOR SHALL A LICENSEE ENGAGE IN BUSINESS
8 UNDER ANY OTHER NAME THAN THAT IN THE LICENSE. THE
9 ADMINISTRATOR MAY BY RULE ESTABLISH AN ADMINISTRATIVE FEE FOR
10 SUCH A CHANGE OF NAME. FOR THE PURPOSES OF THIS SUBSECTION (7), A
11 CONSUMER INSURANCE PREMIUM LOAN IS MADE AT THE LENDER'S
12 BUSINESS OFFICE.

13 (8) EACH LICENSE SHALL BE RENEWED BY PAYMENT OF A
14 NONREFUNDABLE LICENSE FEE OF FOUR HUNDRED DOLLARS AND THE
15 FILING OF A RENEWAL FORM. THE FEE AND RENEWAL FORM SHALL BE DUE
16 EACH JANUARY 31. IF A LICENSEE FAILS TO PAY THE PRESCRIBED FEE ON
17 OR BEFORE MARCH 1, IT MUST PAY A PENALTY OF FIVE DOLLARS PER DAY
18 PER LICENSE FROM MARCH 2 TO THE DATE THE PAYMENT IS POSTMARKED.
19 HOWEVER, IF A LICENSEE FAILS TO PAY THE APPROPRIATE RENEWAL AND
20 PENALTY FEES BY MARCH 15, ITS LICENSE SHALL AUTOMATICALLY EXPIRE.

21 (9) IN ADDITION TO THE OTHER FEES REQUIRED BY THIS SECTION,
22 EACH LICENSEE SHALL PAY AN ADDITIONAL NONREFUNDABLE ANNUAL
23 VOLUME FEE IN THE AMOUNT OF TEN DOLLARS FOR EACH ONE HUNDRED
24 THOUSAND DOLLARS, OR PART THEREOF, IN EXCESS OF TWO MILLION
25 DOLLARS OF THE ORIGINAL UNPAID BALANCE ARISING FROM ALL
26 CONSUMER INSURANCE PREMIUM FINANCE LOANS MADE TO RESIDENTS OF

1 THIS STATE WITHIN THE PRECEDING CALENDAR YEAR AND HELD BY THE
2 LENDER FOR MORE THAN THIRTY DAYS AFTER THE INCEPTION OF THE LOAN
3 GIVING RISE TO THE OBLIGATION. A REFINANCING OF A LOAN RESULTING
4 IN AN INCREASE IN THE AMOUNT OF THE OBLIGATION SHALL BE
5 CONSIDERED A NEW LOAN TO THE EXTENT OF THE AMOUNT OF THE
6 INCREASE.

7 **5-2-303. Denial and discipline of license.** (1) THE
8 ADMINISTRATOR MAY DENY AN APPLICATION FOR A LICENSE OR TAKE
9 DISCIPLINARY ACTION AGAINST A PERSON LICENSED TO MAKE SUPERVISED
10 LOANS IF THE ADMINISTRATOR FINDS THAT:

11 (a) THE APPLICANT OR LICENSEE HAS VIOLATED THIS CODE OR ANY
12 RULE OR ORDER LAWFULLY MADE PURSUANT THERETO;

13 (b) FACTS OR CONDITIONS EXIST THAT WOULD CLEARLY HAVE
14 JUSTIFIED THE ADMINISTRATOR IN REFUSING TO GRANT A LICENSE HAD
15 THESE FACTS OR CONDITIONS BEEN KNOWN TO EXIST AT THE TIME THE
16 APPLICATION FOR THE LICENSE WAS MADE;

17 (c) THE APPLICANT HAS FAILED TO COMPLETE AN APPLICATION FOR
18 LICENSURE;

19 (d) THE APPLICANT OR LICENSEE HAS FAILED TO PROVIDE
20 INFORMATION REQUIRED BY THE ADMINISTRATOR WITHIN A REASONABLE
21 TIME AS FIXED BY THE ADMINISTRATOR;

22 (e) THE APPLICANT OR LICENSEE HAS FAILED TO PROVIDE OR
23 MAINTAIN PROOF OF FINANCIAL RESPONSIBILITY;

24 (f) THE APPLICANT OR LICENSEE IS INSOLVENT;

25 (g) THE APPLICANT OR LICENSEE HAS MADE, IN ANY DOCUMENT OR
26 STATEMENT FILED WITH THE ADMINISTRATOR, A FALSE REPRESENTATION

1 OF A MATERIAL FACT OR HAS OMITTED TO STATE A MATERIAL FACT;

2 (h) THE APPLICANT, LICENSEE, OR ITS OWNERS, PARTNERS,
3 MEMBERS, OFFICERS, OR DIRECTORS HAVE BEEN CONVICTED OF OR
4 ENTERED A PLEA OF GUILTY OR NOLO CONTENDERE TO A CRIME SPECIFIED
5 IN PART 4 OF ARTICLE 4 OF TITLE 18, C.R.S., OR IN PART 1, 2, 3, 5, OR 7 OF
6 ARTICLE 5 OF TITLE 18, C.R.S., TO A CRIME INVOLVING FRAUD OR DECEIT,
7 OR TO ANY SIMILAR CRIME UNDER THE JURISDICTION OF ANY FEDERAL
8 COURT OR COURT OF ANOTHER STATE;

9 (i) THE APPLICANT OR LICENSEE HAS FAILED TO MAKE, MAINTAIN,
10 OR PRODUCE RECORDS WHICH COMPLY WITH SECTION 5-2-304 AND ANY
11 REGULATION ADOPTED BY THE ADMINISTRATOR;

12 (j) THE APPLICANT OR LICENSEE HAS BEEN THE SUBJECT OF ANY
13 DISCIPLINARY ACTION BY ANY STATE OR FEDERAL AGENCY;

14 (k) A FINAL JUDGMENT HAS BEEN ENTERED AGAINST THE
15 APPLICANT OR LICENSEE FOR VIOLATIONS OF THIS CODE, ANY STATE OR
16 FEDERAL LAW CONCERNING CONSUMER FINANCE, BANKING, OR MORTGAGE
17 BROKERS OR LENDERS, OR ANY STATE OR FEDERAL LAW PROHIBITING
18 DECEPTIVE OR UNFAIR TRADE OR BUSINESS PRACTICES; OR

19 (l) THE APPLICANT OR LICENSEE HAS FAILED TO, IN A TIMELY
20 MANNER AS FIXED BY THE ADMINISTRATOR, TAKE OR PROVIDE PROOF OF
21 THE CORRECTIVE ACTION REQUIRED BY THE ADMINISTRATOR SUBSEQUENT
22 TO AN EXAMINATION OR INVESTIGATION PURSUANT TO SECTION 5-2-305 OR
23 5-6-106.

24 (2) THE ADMINISTRATOR MAY SUMMARILY SUSPEND A LICENSE AS
25 PROVIDED IN SECTION 24-4-104, C.R.S.

26 (3) WHENEVER THE ADMINISTRATOR DENIES A LICENSE

1 APPLICATION OR TAKES DISCIPLINARY ACTION PURSUANT TO THIS SECTION,
2 THE ADMINISTRATOR SHALL ENTER AN ORDER TO THAT EFFECT AND NOTIFY
3 THE LICENSEE OR APPLICANT OF THE DENIAL OR DISCIPLINARY ACTION.
4 THE NOTIFICATION REQUIRED BY THIS SUBSECTION SHALL BE GIVEN BY
5 PERSONAL SERVICE OR BY MAIL TO THE LAST KNOWN ADDRESS OF THE
6 LICENSEE OR APPLICANT AS SHOWN ON THE APPLICATION, LICENSE, OR AS
7 SUBSEQUENTLY FURNISHED IN WRITING TO THE ADMINISTRATOR.

8 (4) ANY PERSON HOLDING A LICENSE TO MAKE SUPERVISED LOANS
9 MAY RELINQUISH THE LICENSE BY NOTIFYING THE ADMINISTRATOR IN
10 WRITING OF ITS RELINQUISHMENT, BUT THIS RELINQUISHMENT SHALL NOT
11 AFFECT THE LICENSEE'S LIABILITY FOR ACTS PREVIOUSLY COMMITTED NOR
12 IMPAIR THE ADMINISTRATOR'S ABILITY TO ISSUE A FINAL AGENCY ORDER
13 OR IMPOSE DISCIPLINE AGAINST THE LICENSEE.

14 (5) NO REVOCATION, SUSPENSION, OR RELINQUISHMENT OF A
15 LICENSE SHALL IMPAIR OR AFFECT THE OBLIGATION OF ANY PREEXISTING
16 LAWFUL CONTRACT BETWEEN THE LICENSEE AND ANY CONSUMER.

17 (6) THE ADMINISTRATOR MAY REINSTATE A LICENSE, TERMINATE
18 A SUSPENSION, OR GRANT A NEW LICENSE TO A PERSON WHOSE LICENSE
19 HAS BEEN REVOKED OR SUSPENDED IF NO FACT OR CONDITION THEN EXISTS
20 THAT CLEARLY WOULD HAVE JUSTIFIED THE ADMINISTRATOR IN REFUSING
21 TO GRANT A LICENSE.

22 (7) AFTER A FINDING OF ONE OR MORE OF THE CONDITIONS STATED
23 IN SUBSECTION (1) OF THIS SECTION, THE ADMINISTRATOR MAY TAKE ANY
24 OR ALL OF THE FOLLOWING ACTIONS:

25 (a) DENY AN APPLICATION FOR LICENSURE INCLUDING AN
26 APPLICATION FOR A BRANCH OFFICE LICENSE;

- 1 (b) REVOKE THE LICENSE;
- 2 (c) SUSPEND THE LICENSE FOR A PERIOD OF TIME;
- 3 (d) ISSUE AN ORDER TO THE LICENSEE TO CEASE AND DESIST FROM
4 SUCH ACTS;
- 5 (e) ORDER THE LICENSEE TO MAKE REFUNDS TO CONSUMERS OF
6 EXCESS CHARGES UNDER THIS CODE;
- 7 (f) IMPOSE PENALTIES OF UP TO A MAXIMUM OF ONE THOUSAND
8 DOLLARS FOR EACH VIOLATION ALL OR PART OF WHICH MAY BE
9 SPECIFICALLY DESIGNATED FOR CONSUMER AND CREDITOR EDUCATIONAL
10 EXPENSES;
- 11 (g) BAR THE PERSON FROM APPLYING FOR OR HOLDING A LICENSE
12 FOR A PERIOD OF FIVE YEARS FOLLOWING REVOCATION OF HIS OR HER
13 LICENSE;
- 14 (h) ISSUE A LETTER OF ADMONITION; OR
- 15 (i) IMPOSE A PENALTY OF TWO HUNDRED DOLLARS PER DAY FOR
16 FAILURE TO MAKE, PRODUCE, OR RETAIN RECORDS REQUIRED TO BE
17 MAINTAINED UNDER THIS CODE WITHIN FORTY-EIGHT HOURS AFTER THE
18 ADMINISTRATOR'S WRITTEN DEMAND. IF THE ADMINISTRATOR HAS
19 PROVIDED ADVANCE WRITTEN NOTICE OF FORTY-EIGHT HOURS OR MORE TO
20 A LICENSEE PRIOR TO CONDUCTING AN EXAMINATION PURSUANT TO
21 SECTION 5-2-305, THE PENALTY MAY BE IMPOSED WITHOUT ALLOWING
22 ADDITIONAL TIME.
- 23 (8) THE DISCIPLINE STATED IN PARAGRAPHS (h) AND (i) OF
24 SUBSECTION (7) OF THIS SECTION MAY BE IMPOSED WITHOUT A HEARING,
25 BUT THE LICENSEE MAY, WITHIN THIRTY DAYS THEREAFTER, FILE WITH THE
26 ADMINISTRATOR A WRITTEN NOTICE REQUESTING A HEARING. IF SUCH

1 REQUEST IS TIMELY MADE, THE LETTER OF ADMONITION SHALL BE DEEMED
2 VACATED AND A HEARING SHALL BE HELD. IF, AFTER SUCH HEARING,
3 THERE IS A FINDING THAT ONE OR MORE OF THE GROUNDS FOR DISCIPLINE
4 EXIST, ANY OR ALL OF THE FORMS OF DISCIPLINE LISTED IN THIS SECTION
5 MAY BE IMPOSED.

6 **5-2-304. Records - annual reports - proof of financial**
7 **responsibility.** (1) EVERY LICENSEE SHALL MAINTAIN RECORDS IN
8 CONFORMITY WITH THIS CODE, RULES ADOPTED THEREUNDER, AND
9 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND PRACTICES IN A
10 MANNER THAT WILL ENABLE THE ADMINISTRATOR TO DETERMINE
11 WHETHER THE LICENSEE IS COMPLYING WITH THE PROVISIONS OF THIS
12 CODE. THE RECORD-KEEPING SYSTEM OF A LICENSEE SHALL BE SUFFICIENT
13 IF THE LICENSEE MAKES THE REQUIRED INFORMATION REASONABLY
14 AVAILABLE. THE RECORDS NEED NOT BE KEPT IN THE PLACE OF BUSINESS
15 WHERE SUPERVISED LOANS ARE MADE IF THE ADMINISTRATOR IS GIVEN
16 FREE ACCESS TO THE RECORDS WHEREVER LOCATED. THE RECORDS
17 PERTAINING TO ANY LOAN NEED NOT BE PRESERVED FOR MORE THAN FOUR
18 YEARS AFTER MAKING THE FINAL ENTRY RELATING TO THE LOAN, BUT, IN
19 THE CASE OF A REVOLVING LOAN ACCOUNT, THE FOUR YEARS IS MEASURED
20 FROM THE DATE OF EACH ENTRY.

21 (2) ON OR BEFORE JUNE 1 OF EACH YEAR, EVERY LICENSEE SHALL
22 FILE WITH THE ADMINISTRATOR AN ANNUAL REPORT IN THE FORM
23 PRESCRIBED BY THE ADMINISTRATOR RELATING TO ALL SUPERVISED LOANS
24 MADE BY THE LICENSEE AND SATISFACTORY PROOF OF FINANCIAL
25 RESPONSIBILITY. THE ADMINISTRATOR SHALL CONSULT WITH
26 COMPARABLE OFFICIALS IN OTHER STATES FOR THE PURPOSE OF MAKING

1 THE KINDS OF INFORMATION REQUIRED IN ANNUAL REPORTS UNIFORM
2 AMONG THE STATES. INFORMATION CONTAINED IN ANNUAL REPORTS
3 SHALL BE CONFIDENTIAL AND MAY BE PUBLISHED ONLY IN COMPOSITE
4 FORM. THE ADMINISTRATOR MAY, BY RULE, DETERMINE THE TYPES AND
5 AMOUNTS OF FINANCIAL RESPONSIBILITY DEEMED TO BE SATISFACTORY.

6 (3) IF A LICENSEE FAILS TO FILE THE ANNUAL REPORT OR PROOF OF
7 FINANCIAL RESPONSIBILITY BY JULY 1, THE ADMINISTRATOR MAY IMPOSE
8 A PENALTY OF FIVE DOLLARS PER DAY FROM JULY 2 TO THE DATE THE
9 FILING IS POSTMARKED. HOWEVER, IF A LICENSEE FAILS TO FILE AND PAY
10 THE APPROPRIATE PENALTY BY JULY 15, ITS LICENSE SHALL
11 AUTOMATICALLY EXPIRE.

12 **5-2-305. Examinations and investigations.** (1) THE
13 ADMINISTRATOR SHALL EXAMINE PERIODICALLY, AT INTERVALS THE
14 ADMINISTRATOR DEEMS APPROPRIATE, THE LOANS, BUSINESS, AND
15 RECORDS OF EVERY LICENSEE. IN ADDITION, FOR THE PURPOSE OF
16 DISCOVERING VIOLATIONS OF THIS CODE OR SECURING INFORMATION
17 LAWFULLY REQUIRED, THE ADMINISTRATOR OR, IN LIEU THEREOF, THE
18 OFFICIAL OR AGENCY TO WHOSE SUPERVISION THE ORGANIZATION IS
19 SUBJECT PURSUANT TO SECTION 5-6-105, MAY AT ANY TIME INVESTIGATE
20 THE LOANS, BUSINESS, AND RECORDS OF ANY SUPERVISED LENDER OR ANY
21 SUPERVISED FINANCIAL ORGANIZATION. FOR THESE PURPOSES THE
22 ADMINISTRATOR SHALL HAVE FREE AND REASONABLE ACCESS TO THE
23 OFFICES, PLACES OF BUSINESS, AND RECORDS OF THE LENDER.

24 (2) (a) IF THE LENDER'S RECORDS ARE LOCATED OUTSIDE THIS
25 STATE, THE LENDER SHALL, AT THE LENDER'S OPTION, EITHER MAKE THEM
26 AVAILABLE TO THE ADMINISTRATOR AT A CONVENIENT LOCATION WITHIN

1 THIS STATE OR PAY THE REASONABLE AND NECESSARY EXPENSES FOR THE
2 ADMINISTRATOR OR THE ADMINISTRATOR'S REPRESENTATIVE TO EXAMINE
3 THEM AT THE PLACE WHERE THEY ARE MAINTAINED; EXCEPT THAT THE
4 LENDER SHALL MAKE THE RECORDS AVAILABLE FOR EXAMINATION AT THE
5 ADMINISTRATOR'S OFFICE OR AT ANY OTHER LOCATION THE
6 ADMINISTRATOR DEEMS APPROPRIATE, AT THE COST OF THE LENDER, IF THE
7 ADMINISTRATOR DETERMINES THAT THE EXAMINATION OF THE RECORDS
8 AT THE LOCATION WHERE THE RECORDS ARE MAINTAINED ENDANGERS THE
9 SAFETY OF THE ADMINISTRATOR'S REPRESENTATIVE OR THAT THERE ARE
10 NOT ADEQUATE FACILITIES AT THE LOCATION WHERE THE RECORDS ARE
11 MAINTAINED TO CONDUCT THE EXAMINATION. THE ADMINISTRATOR MAY
12 DESIGNATE REPRESENTATIVES, INCLUDING COMPARABLE OFFICIALS OF THE
13 STATE IN WHICH THE RECORDS ARE LOCATED, TO INSPECT THEM ON THE
14 ADMINISTRATOR'S BEHALF.

15 (b) THE ADMINISTRATOR MAY REQUIRE ANY LENDER WHOSE
16 RECORDS ARE LOCATED WITHIN THE STATE TO MAKE ITS RECORDS
17 AVAILABLE FOR EXAMINATION AT THE ADMINISTRATOR'S OFFICE OR AT
18 ANY OTHER LOCATION THE ADMINISTRATOR DEEMS APPROPRIATE AT THE
19 COST OF THE LENDER IF THE ADMINISTRATOR DETERMINES THAT THE
20 EXAMINATION OF THE RECORDS AT THE LOCATION WHERE THE RECORDS
21 ARE MAINTAINED ENDANGERS THE SAFETY OF THE ADMINISTRATOR'S
22 REPRESENTATIVE OR THAT THERE ARE NOT ADEQUATE FACILITIES AT THE
23 LOCATION WHERE THE RECORDS ARE MAINTAINED TO CONDUCT THE
24 EXAMINATION.

25 (3) FOR THE PURPOSES OF THIS SECTION, THE ADMINISTRATOR MAY
26 ADMINISTER OATHS OR AFFIRMATIONS, AND, UPON THE ADMINISTRATOR'S

1 OWN MOTION OR UPON REQUEST OF ANY PARTY, MAY SUBPOENA
2 WITNESSES, COMPEL THEIR ATTENDANCE, ADDUCE EVIDENCE, AND
3 REQUIRE THE PRODUCTION OF ANY MATTER THAT IS RELEVANT TO THE
4 INVESTIGATION, INCLUDING THE EXISTENCE, DESCRIPTION, NATURE,
5 CUSTODY, CONDITION, AND LOCATION OF ANY BOOKS, DOCUMENTS, OR
6 OTHER TANGIBLE THINGS AND THE IDENTITY AND LOCATION OF PERSONS
7 HAVING KNOWLEDGE OF RELEVANT FACTS OR ANY OTHER MATTER
8 REASONABLY CALCULATED TO LEAD TO THE DISCOVERY OF ADMISSIBLE
9 EVIDENCE.

10 (4) UPON FAILURE WITHOUT LAWFUL EXCUSE TO OBEY A SUBPOENA
11 OR TO GIVE TESTIMONY, THE ADMINISTRATOR MAY APPLY TO THE DISTRICT
12 COURT IN THE CITY AND COUNTY OF DENVER FOR AN ORDER COMPELLING
13 COMPLIANCE.

14 (5) AFTER THE ADMINISTRATOR HAS EXAMINED A LICENSEE
15 PURSUANT TO THIS SECTION, THE ADMINISTRATOR SHALL PROVIDE A
16 REPORT OF THE EXAMINATION TO THE LICENSEE AND REQUEST THE
17 LICENSEE TO TAKE THE CORRECTIVE ACTION REQUIRED THEREIN. THE
18 LICENSEE SHALL, WITHIN A TIME AND MANNER AS FIXED BY THE
19 ADMINISTRATOR, TAKE THE CORRECTIVE ACTION REQUIRED IN THE REPORT
20 AND PROVIDE PROOF THAT THE CORRECTIVE ACTION WAS TAKEN. THE
21 CORRECTIVE ACTION REQUIRED MAY INCLUDE REFUNDS OF EXCESS
22 CHARGES AND CORRECTIONS OF DISCLOSURES REQUIRED BY THIS CODE.
23 THIS SUBSECTION (5) DOES NOT REQUIRE THE ADMINISTRATOR TO ALLOW
24 A LICENSEE TO MAKE CORRECTIVE ACTION PRIOR TO THE ADMINISTRATOR
25 FILING LEGAL OR ADMINISTRATIVE ACTION FOR REPEATED OR WILLFUL
26 VIOLATIONS OF THIS CODE.

1 **5-2-306. Administrative procedures - applicability.** EXCEPT AS
2 OTHERWISE PROVIDED, THE PROVISIONS OF SECTIONS 24-4-102 TO
3 24-4-106, C.R.S., APPLY TO AND GOVERN ALL RULES PROMULGATED AND
4 ALL ADMINISTRATIVE ACTION TAKEN BY THE ADMINISTRATOR PURSUANT
5 TO THIS CODE; EXCEPT THAT SECTION 24-4-104 (3), C.R.S., SHALL NOT
6 APPLY TO ANY SUCH ACTION.

7 **5-2-307. Judicial review.** ANY PERSON AGGRIEVED BY ANY FINAL
8 ACTION OR ORDER OF THE ADMINISTRATOR AND AFFECTED THEREBY IS
9 ENTITLED TO A REVIEW THEREOF BY THE COURT OF APPEALS BY
10 APPROPRIATE PROCEEDINGS UNDER SECTION 24-4-106 (11), C.R.S.

11 **5-2-308. Regular schedule of payments; maximum loan term.**

12 (1) SUPERVISED LOANS NOT MADE PURSUANT TO A REVOLVING CREDIT
13 ACCOUNT AND IN WHICH THE PRINCIPAL IS THREE THOUSAND DOLLARS OR
14 LESS SHALL BE SCHEDULED TO BE PAYABLE IN SUBSTANTIALLY EQUAL
15 INSTALLMENTS AT EQUAL PERIODIC INTERVALS EXCEPT TO THE EXTENT
16 THAT THE SCHEDULE OF PAYMENTS IS ADJUSTED TO THE SEASONAL OR
17 IRREGULAR INCOME OF THE DEBTOR AND:

18 (a) OVER A PERIOD OF NOT MORE THAN THIRTY-SEVEN MONTHS IF
19 THE PRINCIPAL IS MORE THAN ONE THOUSAND DOLLARS; OR

20 (b) OVER A PERIOD OF NOT MORE THAN TWENTY-FIVE MONTHS IF
21 THE PRINCIPAL IS ONE THOUSAND DOLLARS OR LESS.

22 **5-2-309. Conduct of business other than making loans.** A
23 SUPERVISED LENDER MAY NOT CARRY ON ANY OTHER BUSINESS FOR THE
24 PURPOSE OF EVASION OR VIOLATION OF THIS CODE NOR MAY THE
25 SUPERVISED LENDER REQUIRE THE PURCHASE OF ANY GOODS OR SERVICES
26 AS A CONDITION OF THE EXTENSION OF CREDIT.

1 PART 1

2 DISCLOSURES, NOTICES, RECORDS, AND ADVERTISING

3 **5-3-101. Applicability - information required.** (1) FOR
4 PURPOSES OF THIS ARTICLE, A CONSUMER CREDIT TRANSACTION INCLUDES
5 A TRANSACTION SECURED PRIMARILY BY AN INTEREST IN LAND WITHOUT
6 REGARD TO THE RATE OF THE FINANCE CHARGE IF THE CONSUMER CREDIT
7 TRANSACTION IS OTHERWISE A CONSUMER CREDIT TRANSACTION.

8 (2) THE CREDITOR SHALL DISCLOSE TO THE CONSUMER TO WHOM
9 CREDIT IS EXTENDED WITH RESPECT TO A CONSUMER CREDIT TRANSACTION
10 THE INFORMATION, DISCLOSURES, AND NOTICES REQUIRED BY THE
11 FEDERAL "TRUTH IN LENDING ACT", THE FEDERAL "CONSUMER LEASING
12 ACT", AND ANY REGULATION THEREUNDER.

13 (3) THE INFORMATION, DISCLOSURES, AND NOTICES REQUIRED BY
14 SUBSECTION (2) OF THIS SECTION MUST BE PROVIDED IF THE TRANSACTION
15 IS A CONSUMER CREDIT TRANSACTION UNDER THIS CODE EVEN THOUGH
16 THE TRANSACTION IS ONE OF A CLASS OF CREDIT TRANSACTIONS EXEMPTED
17 FROM THE FEDERAL "TRUTH IN LENDING ACT", THE FEDERAL "CONSUMER
18 LEASING ACT", AND ANY REGULATION THEREUNDER.

19 **5-3-102. Notice of assignment.** THE CONSUMER IS AUTHORIZED
20 TO PAY THE ORIGINAL CREDITOR UNTIL THE CONSUMER RECEIVES
21 NOTIFICATION OF ASSIGNMENT OF RIGHTS TO PAYMENT PURSUANT TO A
22 CONSUMER CREDIT TRANSACTION AND THAT PAYMENT IS TO BE MADE TO
23 THE ASSIGNEE. A NOTIFICATION THAT DOES NOT REASONABLY IDENTIFY
24 THE RIGHTS ASSIGNED IS INEFFECTIVE. IF REQUESTED BY THE CONSUMER,
25 THE ASSIGNEE MUST SEASONABLY FURNISH REASONABLE PROOF THAT THE
26 ASSIGNMENT HAS BEEN MADE AND UNLESS THE ASSIGNEE DOES SO THE

1 CONSUMER MAY PAY THE ORIGINAL CREDITOR.

2 **5-3-103. Change in terms of revolving credit accounts.** (1) IF
3 A CREDITOR MAKES A CHANGE IN THE TERMS OF A REVOLVING ACCOUNT
4 WITHOUT COMPLYING WITH THIS SECTION, ANY ADDITIONAL COST OR
5 CHARGE TO THE CONSUMER RESULTING FROM THE CHANGE IS AN EXCESS
6 CHARGE AND SUBJECT TO THE REMEDIES AVAILABLE TO CONSUMERS
7 DESCRIBED IN SECTION 5-5-202 AND TO THE ADMINISTRATOR DESCRIBED
8 IN SECTION 5-6-114.

9 (2) (a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OR (c)
10 OF THIS SUBSECTION (2), WHENEVER ANY TERM OF A REVOLVING CREDIT
11 ACCOUNT IS CHANGED OR THE REQUIRED MINIMUM PERIODIC PAYMENT
12 THEREON IS INCREASED, THE CREDITOR SHALL MAIL OR DELIVER WRITTEN
13 NOTICE OF THE CHANGE, AT LEAST ONE BILLING CYCLE BEFORE THE
14 EFFECTIVE DATE OF THE CHANGE, TO EACH CONSUMER WHO MAY BE
15 AFFECTED BY THE CHANGE.

16 (b) THE NOTICE REQUIRED BY PARAGRAPH (a) OF THIS SUBSECTION
17 (2) SHALL BE GIVEN IN ADVANCE, BUT NEED NOT BE GIVEN ONE BILLING
18 CYCLE IN ADVANCE, IF THE CHANGE HAS BEEN AGREED TO BY THE
19 CONSUMER OR IF THE CHANGE IS AN INCREASE IN A FINANCE CHARGE,
20 PERIODIC RATE, OR OTHER CHARGE PERMITTED UNDER SECTION 5-2-202 AS
21 A RESULT OF THE CONSUMER'S DELINQUENCY OR DEFAULT.

22 (c) THE NOTICE OTHERWISE REQUIRED BY PARAGRAPH (a) OF THIS
23 SUBSECTION (2) IS NOT REQUIRED IF THE CHANGE:

24 (I) RESULTS FROM THE CONSUMER'S DELINQUENCY OR DEFAULT
25 BUT IS NOT OF A KIND LISTED IN PARAGRAPH (b) OF THIS SUBSECTION (2);

26 (II) RESULTS FROM AN AGREEMENT RELATED TO A COURT

1 PROCEEDING OR ARBITRATION;

2 (III) IS A REDUCTION OF ANY CHARGE OR COMPONENT THEREOF; OR

3 (IV) IS A SUSPENSION OF FUTURE CREDIT PRIVILEGES OR
4 TERMINATION OF A CONSUMER CREDIT TRANSACTION.

5 (3) THE NOTICE PROVISIONS OF SUBSECTION (2) OF THIS SECTION
6 SHALL NOT APPLY IF:

7 (a) THE CONSUMER, AFTER RECEIVING NOTICE IN WRITING OF THE
8 SPECIFIC CHANGE, AGREES IN WRITING TO THE CHANGE;

9 (b) THE CONSUMER ELECTS TO PAY AN AMOUNT DESIGNATED ON
10 A BILLING STATEMENT AS INCLUDING A NEW CHARGE FOR A BENEFIT
11 OFFERED TO THE CONSUMER WHEN THE BENEFIT AND CHARGE
12 CONSTITUTES THE CHANGE IN TERMS AND WHEN THE BILLING STATEMENT
13 ALSO STATES THE AMOUNT PAYABLE IF THE NEW CHARGE IS EXCLUDED;

14 (c) THE CHANGE INVOLVES NO SIGNIFICANT COST TO THE
15 CONSUMER; OR

16 (d) THE AGREEMENT PROVIDES LIMITATIONS ON CHANGING OF
17 TERMS THAT ARE MORE RESTRICTIVE THAN THE REQUIREMENTS OF
18 SUBSECTION (2) OF THIS SECTION.

19 (4) THE NOTICE PROVIDED FOR IN THIS SECTION IS GIVEN TO THE
20 CONSUMER WHEN MAILED TO THE CONSUMER AT THE ADDRESS USED BY
21 THE CREDITOR FOR SENDING PERIODIC BILLING STATEMENTS.

22 **5-3-104. Receipts - statements of account - evidence of**
23 **payment.** (1) THE CREDITOR SHALL DELIVER OR MAIL TO THE CONSUMER,
24 WITHOUT REQUEST, A WRITTEN RECEIPT FOR EACH PAYMENT BY COIN OR
25 CURRENCY ON AN OBLIGATION PURSUANT TO A CONSUMER CREDIT
26 TRANSACTION. A PERIODIC STATEMENT SHOWING A PAYMENT RECEIVED

1 BY THE CREDITOR COMPLIES WITH THIS SUBSECTION (1).

2 (2) UPON WRITTEN REQUEST OF A CONSUMER, THE CREDITOR OF A
3 CONSUMER CREDIT TRANSACTION, OTHER THAN ONE PURSUANT TO A
4 REVOLVING CREDIT ACCOUNT, SHALL PROVIDE A WRITTEN STATEMENT OF
5 THE DATES AND AMOUNTS OF PAYMENTS MADE WITHIN THE TWELVE
6 MONTHS PRECEDING THE MONTH IN WHICH THE REQUEST IS RECEIVED AND
7 THE TOTAL AMOUNT UNPAID AS OF THE END OF THE PERIOD COVERED BY
8 THE STATEMENT. THE STATEMENT SHALL BE PROVIDED WITHOUT CHARGE
9 TWICE DURING EACH YEAR OF THE TERM OF THE OBLIGATION. IF
10 ADDITIONAL STATEMENTS ARE REQUESTED, THE CREDITOR MAY CHARGE
11 NOT MORE THAN TEN DOLLARS FOR EACH ADDITIONAL STATEMENT.

12 (3) WITHIN THIRTY DAYS AFTER A CONSUMER HAS FULFILLED ALL
13 OBLIGATIONS WITH RESPECT TO A CONSUMER CREDIT TRANSACTION,
14 OTHER THAN ONE PURSUANT TO A REVOLVING CREDIT ACCOUNT, THE
15 CREDITOR SHALL DELIVER OR MAIL TO THE CONSUMER WRITTEN EVIDENCE
16 ACKNOWLEDGING PAYMENT IN FULL OF ALL OBLIGATIONS WITH RESPECT
17 TO THE TRANSACTION AND WRITTEN EVIDENCE OF RELEASE OF ANY
18 SECURITY INTEREST AND TERMINATION OF ANY FINANCING STATEMENT
19 HELD, RETAINED, OR ACQUIRED.

20 **5-3-105. Notice to cosigners and similar parties.** (1) NO
21 NATURAL PERSON, OTHER THAN THE SPOUSE OF THE CONSUMER, SHALL BE
22 OBLIGATED AS A COSIGNER, COMAKER, GUARANTOR, ENDORSER, SURETY,
23 OR SIMILAR PARTY WITH RESPECT TO A CONSUMER CREDIT TRANSACTION,
24 UNLESS BEFORE OR CONTEMPORANEOUSLY WITH SIGNING ANY AGREEMENT
25 OF OBLIGATION OR ANY WRITING SETTING FORTH THE TERMS OF THE
26 CONSUMER'S AGREEMENT, THE PERSON RECEIVES A WRITTEN NOTICE THAT

1 CONTAINS A COMPLETED IDENTIFICATION OF THE DEBT HE OR SHE MAY
2 HAVE TO PAY AND REASONABLY INFORMS SUCH PERSON OF HIS OR HER
3 OBLIGATION WITH RESPECT TO IT. SUCH WRITTEN NOTICE MAY BE SET
4 FORTH IN THE CONSUMER'S AGREEMENT OF OBLIGATION OR IN A SEPARATE
5 WRITING. FOR PURPOSES OF THIS SECTION, THE WORD "COSIGNER",
6 "COMAKER", "GUARANTOR", "ENDORSER", OR "SURETY" MEANS A
7 NATURAL PERSON WHO, BY AGREEMENT AND WITHOUT COMPENSATION,
8 RENDERS HIMSELF OR HERSELF LIABLE FOR THE OBLIGATION OF ANOTHER
9 IN A CONSUMER CREDIT TRANSACTION, AND THE TERMS "AGREEMENT" AND
10 "CONSUMER'S AGREEMENT" MEAN THE ORIGINAL UNDERLYING
11 AGREEMENT.

12 (2) THE NOTICE REQUIRED BY THIS SECTION MUST BE CLEAR AND
13 CONSPICUOUS NOTICE AND COMPLY WITH THE DISCLOSURE REQUIREMENTS
14 OF 16 C.F.R. 444.3, 12 C.F.R. 227.14, OR 12 C.F.R. 535.3.

15 (3) THE NOTICE REQUIRED BY THIS SECTION NEED NOT BE GIVEN TO
16 A SELLER, LESSOR, OR LENDER WHO IS OBLIGATED TO AN ASSIGNEE OF HIS
17 OR HER RIGHTS.

18 (4) A PERSON ENTITLED TO NOTICE PURSUANT TO THIS SECTION
19 SHALL ALSO BE GIVEN A COPY OF ANY WRITING SETTING FORTH THE TERMS
20 OF THE CONSUMER'S AGREEMENT AND OF ANY SEPARATE AGREEMENT OF
21 OBLIGATION SIGNED BY THE PERSON ENTITLED TO THE NOTICE.

22 (5) A COSIGNOR IS ENTITLED TO A NOTICE OF RIGHT TO CURE
23 PURSUANT TO SECTIONS 5-5-110 (4) AND 5-5-111 (3).

24 **5-3-106. Disclosures for real estate secured consumer credit**
25 **transactions.** WITH RESPECT TO A REAL ESTATE SECURED CONSUMER
26 CREDIT TRANSACTION, IF THE CREDITOR CREDITS PAYMENTS MADE AFTER

1 THE DUE DATE AS OF THE DATE OF RECEIPT RATHER THAN THE DATE
2 PAYMENT WAS DUE, THE CREDITOR MUST CLEARLY AND CONSPICUOUSLY
3 DISCLOSE TO THE CONSUMER AT OR BEFORE THE TIME THAT CREDIT IS
4 EXTENDED THE EFFECT OF UNTIMELY PAYMENTS USING LANGUAGE IN
5 SUBSTANTIALLY THE FOLLOWING FORM:

6 "THE DOLLAR AMOUNT OF THE FINANCE CHARGE DISCLOSED TO YOU FOR
7 THIS CREDIT TRANSACTION IS BASED UPON YOUR PAYMENTS BEING
8 RECEIVED BY THE CREDITOR ON THE DATE PAYMENTS ARE DUE. IF YOUR
9 PAYMENTS ARE RECEIVED AFTER THE DUE DATE, EVEN IF RECEIVED BEFORE
10 THE DATE A LATE FEE APPLIES, YOU MAY OWE ADDITIONAL AND
11 SUBSTANTIAL MONEY AT THE END OF THE CREDIT TRANSACTION AND
12 THERE MAY BE LITTLE OR NO REDUCTION OF PRINCIPAL. THIS IS DUE TO
13 THE ACCRUAL OF DAILY INTEREST UNTIL A PAYMENT IS RECEIVED."

14 **5-3-107. Disclosures for consumer credit transactions secured**
15 **by a motor vehicle.** IF THE PROPERTY THAT SECURES A CONSUMER
16 CREDIT TRANSACTION INCLUDES A MOTOR VEHICLE AND THE WRITTEN
17 AGREEMENT DOES NOT PROVIDE FOR AUTOMOBILE LIABILITY INSURANCE,
18 THE FOLLOWING CLAUSE SHALL BE IN THE WRITTEN AGREEMENT IN
19 CAPITAL LETTERS AND BOLD-FACE TYPE: "**THIS CONTRACT DOES**
20 **NOT PROVIDE FOR AUTOMOBILE LIABILITY INSURANCE,**
21 **AND SAID BUYER ALSO STATES THAT HE OR SHE HAS/HAS**
22 **NOT** (STRIKE WORDS NOT APPLICABLE) **IN EFFECT AN**
23 **AUTOMOBILE LIABILITY POLICY AS DEFINED IN SECTION**
24 **42-7-103 (2), COLORADO REVISED STATUTES, ON THE**

1 **MOTOR VEHICLE SOLD BY THIS CONTRACT."**

2 **5-3-108. Written agreement required.** NO CONSUMER CREDIT
3 TRANSACTION SHALL BE VALID OR ENFORCEABLE IN THIS STATE UNLESS ITS
4 TERMS ARE CONTAINED IN A WRITTEN AGREEMENT AND A COPY IS
5 PROVIDED TO THE CONSUMER WHEN CREDIT IS EXTENDED. A CREDITOR
6 MAY PROVIDE THE COPY TO THE CONSUMER IN A FORM OTHER THAN PAPER
7 UPON THE CONSUMER'S WRITTEN AUTHORIZATION.

8 **5-3-109. Records.** EVERY CREDITOR SHALL MAINTAIN RECORDS
9 IN CONFORMITY WITH THIS CODE, RULES ADOPTED THEREUNDER, AND
10 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND PRACTICES IN A
11 MANNER THAT WILL ESTABLISH THAT THE CREDITOR IS COMPLYING WITH
12 THE PROVISIONS OF THIS CODE. THE RECORD-KEEPING SYSTEM OF A
13 CREDITOR SHALL BE SUFFICIENT IF THE CREDITOR MAKES THE REQUIRED
14 INFORMATION REASONABLY AVAILABLE. THE RECORDS PERTAINING TO
15 ANY CREDIT TRANSACTION NEED NOT BE PRESERVED FOR MORE THAN FOUR
16 YEARS AFTER MAKING THE FINAL ENTRY RELATING TO THE TRANSACTION,
17 BUT, IN THE CASE OF A REVOLVING CREDIT ACCOUNT, THE FOUR YEARS IS
18 MEASURED FROM THE DATE OF EACH ENTRY.

19 **5-3-110. Advertising.** (1) A CREDITOR MAY NOT ADVERTISE,
20 PRINT, DISPLAY, PUBLISH, DISTRIBUTE, BROADCAST, TRANSMIT OR CAUSE
21 TO BE ADVERTISED, PRINTED, DISPLAYED, PUBLISHED, DISTRIBUTED,
22 BROADCAST, OR TRANSMITTED IN ANY MANNER ANY FALSE, MISLEADING,
23 OR DECEPTIVE STATEMENT OR REPRESENTATION WITH REGARD TO THE
24 RATES, TERMS, OR CONDITIONS OF CREDIT OF A CONSUMER CREDIT
25 TRANSACTION.

26 (2) THIS SECTION IMPOSES NO LIABILITY ON THE OWNER OR

1 PERSONNEL, AS SUCH, OF ANY MEDIUM IN WHICH AN ADVERTISEMENT
2 APPEARS OR THROUGH WHICH IT IS DISSEMINATED.

3 (3) ADVERTISING THAT COMPLIES WITH THE FEDERAL "TRUTH IN
4 LENDING ACT" AND THE FEDERAL "CONSUMER LEASING ACT" DOES NOT
5 VIOLATE THIS SECTION.

6 PART 2

7 LIMITATIONS ON AGREEMENTS AND PRACTICES

8 **5-3-201. Security in sales or leases.** (1) WITH RESPECT TO A
9 CONSUMER CREDIT SALE, A CREDITOR MAY TAKE A SECURITY INTEREST IN
10 THE PROPERTY SOLD. IN ADDITION, A CREDITOR MAY TAKE A SECURITY
11 INTEREST IN GOODS UPON WHICH SERVICES ARE PERFORMED OR TO WHICH
12 GOODS SOLD ARE ANNEXED, OR IN LAND TO WHICH THE GOODS ARE
13 AFFIXED OR THAT IS MAINTAINED, REPAIRED, OR IMPROVED AS A RESULT
14 OF THE SALE OF THE GOODS OR SERVICES, IF IN THE CASE OF A SECURITY
15 INTEREST IN LAND THE DEBT SECURED IS THREE THOUSAND DOLLARS OR
16 MORE, OR IN THE CASE OF A SECURITY INTEREST IN GOODS THE DEBT
17 SECURED IS ONE THOUSAND DOLLARS OR MORE. EXCEPT AS PROVIDED
18 WITH RESPECT TO CROSS-COLLATERAL DESCRIBED IN SECTION 5-3-202, A
19 CREDITOR MAY NOT OTHERWISE TAKE A SECURITY INTEREST IN PROPERTY
20 OF THE CONSUMER TO SECURE THE DEBT ARISING FROM A CONSUMER
21 CREDIT SALE.

22 (2) WITH RESPECT TO A CONSUMER LEASE, A CREDITOR MAY NOT
23 TAKE A SECURITY INTEREST IN PROPERTY OF THE CONSUMER TO SECURE
24 THE DEBT ARISING FROM THE LEASE. THIS SUBSECTION (2) DOES NOT
25 APPLY TO A SECURITY DEPOSIT FOR A CONSUMER LEASE.

26 (3) A SECURITY INTEREST TAKEN IN VIOLATION OF THIS SECTION IS

1 VOID.

2 **5-3-202. Cross-collateral.** (1) IN ADDITION TO CONTRACTING
3 FOR A SECURITY INTEREST PURSUANT TO THE PROVISIONS ON SECURITY IN
4 SALES OR LEASES CONTAINED IN SECTION 5-3-201, A SELLER IN A
5 CONSUMER CREDIT SALE MAY SECURE THE DEBT ARISING FROM THE SALE
6 BY CONTRACTING FOR A SECURITY INTEREST IN OTHER PROPERTY IF AS A
7 RESULT OF A PRIOR SALE THE SELLER HAS AN EXISTING SECURITY INTEREST
8 IN THE OTHER PROPERTY. THE SELLER MAY ALSO CONTRACT FOR A
9 SECURITY INTEREST IN THE PROPERTY SOLD IN THE SUBSEQUENT SALE AS
10 SECURITY FOR THE PREVIOUS DEBT.

11 (2) IF THE SELLER CONTRACTS FOR A SECURITY INTEREST IN OTHER
12 PROPERTY PURSUANT TO THIS SECTION, THE RATE OF FINANCE CHARGE
13 THEREAFTER ON THE AGGREGATE UNPAID BALANCES SO SECURED MAY NOT
14 EXCEED THAT PERMITTED IF THE BALANCES SO SECURED WERE
15 CONSOLIDATED PURSUANT TO THE PROVISIONS ON CONSOLIDATION
16 INVOLVING A REFINANCING CONTAINED IN SECTION 5-2-205 (1). THE
17 SELLER HAS A REASONABLE TIME AFTER SO CONTRACTING TO MAKE ANY
18 ADJUSTMENTS REQUIRED BY THIS SECTION. "SELLER" IN THIS SECTION
19 DOES NOT INCLUDE AN ASSIGNEE NOT RELATED TO THE ORIGINAL SELLER.

20 **5-3-203. Debt secured by cross-collateral.** (1) IF DEBTS ARISING
21 FROM TWO OR MORE CONSUMER CREDIT SALES, OTHER THAN SALES
22 PURSUANT TO A REVOLVING CREDIT ACCOUNT, ARE SECURED BY
23 CROSS-COLLATERAL OR CONSOLIDATED INTO ONE DEBT PAYABLE ON A
24 SINGLE SCHEDULE OF PAYMENTS AND THE DEBT IS SECURED BY SECURITY
25 INTERESTS TAKEN WITH RESPECT TO ONE OR MORE OF THE SALES,
26 PAYMENTS RECEIVED BY THE SELLER AFTER THE TAKING OF THE

1 CROSS-COLLATERAL OR THE CONSOLIDATION ARE DEEMED, FOR THE
2 PURPOSE OF DETERMINING THE AMOUNT OF THE DEBT SECURED BY THE
3 VARIOUS SECURITY INTERESTS, TO HAVE BEEN APPLIED FIRST TO THE
4 PAYMENT OF THE DEBTS ARISING FROM THE SALES FIRST MADE. TO THE
5 EXTENT DEBTS ARE PAID ACCORDING TO THIS SECTION, SECURITY
6 INTERESTS IN ITEMS OF PROPERTY TERMINATE AS THE DEBTS ORIGINALLY
7 INCURRED WITH RESPECT TO EACH ITEM ARE PAID.

8 (2) PAYMENTS RECEIVED BY THE SELLER UPON A REVOLVING
9 CREDIT ACCOUNT ARE DEEMED, FOR THE PURPOSE OF DETERMINING THE
10 AMOUNT OF THE DEBT SECURED BY THE VARIOUS SECURITY INTERESTS, TO
11 HAVE BEEN APPLIED FIRST TO THE PAYMENT OF FINANCE CHARGES IN THE
12 ORDER OF THEIR ENTRY TO THE ACCOUNT AND THEN TO THE PAYMENT OF
13 DEBTS IN THE ORDER IN WHICH THE ENTRIES TO THE ACCOUNT SHOWING
14 THE DEBTS WERE MADE.

15 (3) IF THE DEBTS CONSOLIDATED AROSE FROM TWO OR MORE SALES
16 MADE ON THE SAME DAY, PAYMENTS RECEIVED BY THE SELLER ARE
17 DEEMED, FOR THE PURPOSE OF DETERMINING THE AMOUNT OF THE DEBT
18 SECURED BY THE VARIOUS SECURITY INTERESTS, TO HAVE BEEN APPLIED
19 FIRST TO THE PAYMENT OF THE SMALLEST DEBT.

20 **5-3-204. Restrictions on interest in land as security.** (1) WITH
21 RESPECT TO A CONSUMER LOAN IN WHICH THE AMOUNT FINANCED IS THREE
22 THOUSAND DOLLARS OR LESS, A LENDER MAY NOT CONTRACT FOR AN
23 INTEREST IN LAND AS SECURITY. A SECURITY INTEREST TAKEN IN
24 VIOLATION OF THIS SECTION IS VOID.

25 (2) FOR THE PURPOSES OF THIS SECTION, ON REVOLVING CREDIT
26 ACCOUNTS, THE AMOUNT FINANCED SHALL BE DETERMINED BY THE LIMIT

1 IN THE AMOUNT OF CREDIT MADE AVAILABLE TO OR FOR THE ACCOUNT OF
2 THE CONSUMER IF THAT LIMIT IS ESTABLISHED BY AN EXPRESS WRITTEN
3 AGREEMENT BY THE LENDER AND IF THE LENDER DOES NOT RETAIN THE
4 RIGHT TO UNILATERALLY REDUCE THAT CREDIT LIMIT, EXCEPT IN THE
5 EVENT OF DEFAULT.

6 **5-3-205. Use of multiple agreements.** A CREDITOR MAY NOT USE
7 MULTIPLE AGREEMENTS WITH RESPECT TO A SINGLE CONSUMER CREDIT
8 TRANSACTION FOR THE PURPOSE OF OBTAINING A HIGHER FINANCE CHARGE
9 THAN WOULD OTHERWISE BE PERMITTED BY THIS CODE OR TO AVOID
10 DISCLOSURE OF AN ANNUAL PERCENTAGE RATE PURSUANT TO THE
11 PROVISIONS ON DISCLOSURE AND ADVERTISING. DIVIDING A SINGLE
12 CONSUMER CREDIT TRANSACTION BETWEEN A HUSBAND AND WIFE SHALL
13 BE PRESUMED TO BE A VIOLATION OF THIS SECTION. THE EXCESS AMOUNT
14 OF FINANCE CHARGE PROVIDED FOR IN AGREEMENTS IN VIOLATION OF THIS
15 SECTION IS AN EXCESS CHARGE FOR THE PURPOSES OF THE PROVISIONS ON
16 THE EFFECT OF VIOLATIONS ON RIGHTS OF PARTIES CONTAINED IN SECTION
17 5-5-201 AND THE PROVISIONS ON CIVIL ACTIONS BY THE ADMINISTRATOR
18 CONTAINED IN SECTION 5-6-114.

19 **5-3-206. No assignment of earnings.** (1) A CREDITOR MAY NOT
20 TAKE AN ASSIGNMENT OF EARNINGS OF THE CONSUMER FOR PAYMENT OR
21 AS SECURITY FOR PAYMENT OF A DEBT ARISING OUT OF A CREDIT
22 TRANSACTION. AN ASSIGNMENT OF EARNINGS IN VIOLATION OF THIS
23 SECTION IS UNENFORCEABLE BY THE ASSIGNEE OF THE EARNINGS AND
24 REVOCABLE BY THE CONSUMER.

25 (2) A SALE OF UNPAID EARNINGS MADE IN CONSIDERATION OF THE
26 PAYMENT OF MONEY TO OR FOR THE ACCOUNT OF THE SELLER OF THE

1 EARNINGS IS DEEMED TO BE A LOAN TO HIM OR HER SECURED BY AN
2 ASSIGNMENT OF EARNINGS.

3 **5-3-207. Authorization to confess judgment prohibited.** A
4 CONSUMER MAY NOT AUTHORIZE ANY PERSON TO CONFESS JUDGMENT ON
5 A CLAIM ARISING OUT OF A CONSUMER CREDIT TRANSACTION. AN
6 AUTHORIZATION IN VIOLATION OF THIS SECTION IS VOID.

7 **5-3-208. Balloon payments.** WITH RESPECT TO A CONSUMER
8 CREDIT TRANSACTION OTHER THAN ONE PURSUANT TO A REVOLVING
9 CREDIT ACCOUNT, IF ANY SCHEDULED PAYMENT IS MORE THAN TWICE AS
10 LARGE AS THE AVERAGE OF ALL OTHER REGULARLY SCHEDULED
11 PAYMENTS, THE CONSUMER HAS THE RIGHT TO REFINANCE THE AMOUNT OF
12 THAT PAYMENT AT THE TIME IT IS DUE AT THE CREDITOR'S PREVAILING
13 RATES FOR SUCH TYPE OF TRANSACTION IF THE CONSUMER MEETS THE
14 CREDITOR'S NORMAL CREDIT STANDARDS AND IF THE CREDITOR IS, AT
15 THAT TIME, IN THE BUSINESS OF MAKING SUCH TRANSACTIONS. THE
16 CREDITOR SHALL DISCLOSE THIS RIGHT IN WRITING TO THE CONSUMER AT
17 THE TIME THE TRANSACTION IS ENTERED INTO. THESE PROVISIONS DO NOT
18 APPLY TO THE EXTENT THAT THE PAYMENT SCHEDULE IS ADJUSTED TO THE
19 SEASONAL OR IRREGULAR INCOME OF THE CONSUMER. THIS SECTION
20 SHALL NOT APPLY TO A TRANSACTION OF A CLASS DEFINED BY RULE OF THE
21 ADMINISTRATOR PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE
22 24, C.R.S., AS NOT REQUIRING FOR THE PROTECTION OF THE CONSUMER HIS
23 OR HER RIGHT TO REFINANCE AS PROVIDED IN THIS SECTION.

24 **5-3-209. Referral sales.** WITH RESPECT TO A CONSUMER CREDIT
25 SALE OR CONSUMER LEASE, THE SELLER OR LESSOR MAY NOT GIVE OR
26 OFFER TO GIVE A REBATE OR DISCOUNT OR OTHERWISE PAY OR OFFER TO

1 PAY VALUE TO THE CONSUMER AS AN INDUCEMENT FOR A SALE OR LEASE
2 IN CONSIDERATION OF THE CONSUMER GIVING TO THE SELLER OR LESSOR
3 THE NAMES OF PROSPECTIVE PURCHASERS OR LESSEES, OR OTHERWISE
4 AIDING THE SELLER OR LESSOR IN MAKING A SALE OR LEASE TO ANOTHER
5 PERSON, IF THE EARNING OF THE REBATE, DISCOUNT, OR OTHER VALUE IS
6 CONTINGENT UPON THE OCCURRENCE OF AN EVENT SUBSEQUENT TO THE
7 TIME THE CONSUMER AGREES TO BUY OR LEASE. IF A CONSUMER IS
8 INDUCED BY A VIOLATION OF THIS SECTION TO ENTER INTO A CONSUMER
9 CREDIT SALE OR CONSUMER LEASE, THE AGREEMENT IS UNENFORCEABLE
10 BY THE SELLER OR LESSOR AND THE CONSUMER, AT HIS OR HER OPTION,
11 MAY RESCIND THE AGREEMENT OR RETAIN THE GOODS DELIVERED AND THE
12 BENEFIT OF ANY SERVICES PERFORMED WITHOUT ANY OBLIGATION TO PAY
13 FOR THEM.

14 **5-3-210. Discrimination prohibited.** NO CONSUMER CREDIT
15 TRANSACTION REGULATED BY THIS CODE SHALL BE DENIED ANY PERSON,
16 NOR SHALL TERMS AND CONDITIONS BE MADE MORE STRINGENT, ON THE
17 BASIS OF DISCRIMINATION, SOLELY BECAUSE OF RACE, CREED, RELIGION,
18 COLOR, SEX, MARITAL STATUS, NATIONAL ORIGIN, OR ANCESTRY. THIS
19 SECTION SHALL NOT APPLY TO ANY CONSUMER CREDIT TRANSACTION
20 MADE OR DENIED BY A SELLER, LESSOR, OR LENDER WHOSE TOTAL
21 ORIGINAL UNPAID BALANCES ARISING FROM CONSUMER CREDIT
22 TRANSACTIONS FOR THE PREVIOUS CALENDAR YEAR ARE LESS THAN ONE
23 MILLION DOLLARS.

24 PART 3

25 LIMITATIONS ON CONSUMERS' LIABILITIES

26 **5-3-301. Restriction on liability in consumer lease.** THE

1 OBLIGATION OF A LESSEE UPON EXPIRATION OF A CONSUMER LEASE, MAY
2 NOT EXCEED TWICE THE AVERAGE PAYMENT ALLOCABLE TO A MONTHLY
3 PERIOD UNDER THE LEASE. THIS LIMITATION DOES NOT APPLY TO CHARGES
4 FOR DAMAGES TO THE LEASED PROPERTY OR FOR OTHER DEFAULT.

5 **5-3-302. Limitation on default charges.** EXCEPT FOR
6 REASONABLE EXPENSES INCURRED IN REALIZING ON A SECURITY INTEREST,
7 THE AGREEMENT WITH RESPECT TO A CONSUMER CREDIT TRANSACTION
8 MAY NOT PROVIDE FOR CHARGES AS A RESULT OF DEFAULT BY THE
9 CONSUMER OTHER THAN THOSE AUTHORIZED BY THIS CODE. A PROVISION
10 IN VIOLATION OF THIS SECTION IS UNENFORCEABLE.

11 **5-3-303. Assignee subject to claims and defenses.** (1) WITH
12 RESPECT TO A CONSUMER CREDIT SALE OR CONSUMER LEASE, AN ASSIGNEE
13 OF THE RIGHTS OF THE SELLER OR LESSOR IS SUBJECT TO ALL CLAIMS AND
14 DEFENSES OF THE BUYER AGAINST THE SELLER OR LESSOR ARISING FROM
15 THE SALE OR LEASE OF GOODS OR SERVICES, NOTWITHSTANDING THAT THE
16 ASSIGNEE IS A HOLDER IN DUE COURSE OF A NEGOTIABLE INSTRUMENT
17 ISSUED IN CONNECTION WITH THE CONSUMER CREDIT SALE OR CONSUMER
18 LEASE.

19 (2) A CLAIM OR DEFENSE OF A CONSUMER SPECIFIED IN
20 SUBSECTION (1) OF THIS SECTION MAY BE ASSERTED AGAINST THE
21 ASSIGNEE UNDER THIS SECTION ONLY TO THE EXTENT OF THE AMOUNT
22 OWING TO THE ASSIGNEE WITH RESPECT TO THE SALE OR LEASE OF THE
23 GOODS OR SERVICES AS TO WHICH THE CLAIM OR DEFENSE AROSE AT THE
24 TIME THE ASSIGNEE HAS WRITTEN NOTICE OF THE CLAIM OR DEFENSE.

25 (3) FOR THE PURPOSE OF DETERMINING THE AMOUNT OWING TO
26 THE ASSIGNEE WITH RESPECT TO THE SALE OR LEASE:

1 (a) PAYMENTS RECEIVED BY THE ASSIGNEE AFTER THE
2 CONSOLIDATION OF TWO OR MORE CONSUMER CREDIT SALES, EXCEPT
3 PURSUANT TO A REVOLVING CREDIT ACCOUNT, ARE DEEMED TO HAVE BEEN
4 FIRST APPLIED TO THE PAYMENT OF THE SALES FIRST MADE; IF THE SALES
5 CONSOLIDATED AROSE FROM SALES MADE ON THE SAME DAY, PAYMENTS
6 ARE DEEMED TO HAVE BEEN FIRST APPLIED TO THE SMALLEST SALE; AND

7 (b) PAYMENTS RECEIVED UPON A REVOLVING CREDIT ACCOUNT
8 ARE DEEMED TO HAVE BEEN FIRST APPLIED TO THE PAYMENT OF FINANCE
9 CHARGES IN THE ORDER OF THEIR ENTRY TO THE ACCOUNT AND THEN TO
10 THE PAYMENT OF DEBTS IN THE ORDER IN WHICH THE ENTRIES OF THE
11 DEBTS ARE MADE TO THE ACCOUNT.

12 (4) AN AGREEMENT MAY NOT LIMIT OR WAIVE THE CLAIMS OR
13 DEFENSES OF A CONSUMER UNDER THIS SECTION.

14 **5-3-304. Use of account - constructive assent to terms.** THE USE
15 OF A REVOLVING CREDIT ACCOUNT BY A CONSUMER, OR BY ANY PERSON
16 AUTHORIZED BY THE CONSUMER, CONSTITUTES THE CONSUMER'S
17 ACCEPTANCE OF THE CREDITOR'S OFFER OF CREDIT AND CREATES A
18 BINDING CONTRACT ON THE CREDITOR'S TERMS THEN IN EFFECT. SUCH
19 TERMS MAY BE MODIFIED IN THE FUTURE AS AGREED BY THE PARTIES AND
20 SUBJECT TO THE REQUIREMENTS OF THIS ARTICLE, INCLUDING, BUT NOT
21 LIMITED TO, THE NOTICE REQUIREMENTS OF SECTION 5-3-103.

22 **5-3-305. Advance payment to reserve lodging and motor**
23 **vehicle rental services - notice to consumer required.** IF A DEPOSIT,
24 RESERVATION FEE, OR OTHER ADVANCE PAYMENT IS TO BE CHARGED TO A
25 REVOLVING CREDIT ACCOUNT OR FOR LODGING OR MOTOR VEHICLE
26 RENTAL SERVICES TO BE PROVIDED IN THE FUTURE IN THIS STATE, THE

1 SELLER SHALL NOT CHARGE SUCH ADVANCE PAYMENT TO THE CONSUMER'S
2 ACCOUNT WITHOUT FIRST NOTIFYING THE CONSUMER, EITHER ORALLY OR
3 IN WRITING, AND GIVING THE CONSUMER THE OPPORTUNITY TO REJECT THE
4 SERVICES.

5 PART 4

6 HOME SOLICITATION SALES

7 **5-3-401. Definitions - "home solicitation sale".** "HOME
8 SOLICITATION SALE" MEANS A CONSUMER CREDIT SALE OF GOODS OR
9 SERVICES IN WHICH THE SELLER OR A PERSON ACTING FOR THE SELLER
10 PERSONALLY SOLICITS THE SALE AND THE BUYER'S AGREEMENT OR OFFER
11 TO PURCHASE IS GIVEN TO THE SELLER OR A PERSON ACTING FOR THE
12 SELLER AT A RESIDENCE. IT DOES NOT INCLUDE A SALE MADE PURSUANT
13 TO A PREEXISTING REVOLVING CREDIT ACCOUNT, A SALE MADE PURSUANT
14 TO PRIOR NEGOTIATIONS BETWEEN THE PARTIES AT A BUSINESS
15 ESTABLISHMENT AT A FIXED LOCATION WHERE GOODS OR SERVICES ARE
16 OFFERED OR EXHIBITED FOR SALE, A TRANSACTION CONDUCTED AND
17 CONSUMMATED ENTIRELY BY MAIL OR TELEPHONE, OR A SALE THAT IS
18 SUBJECT TO THE PROVISIONS OF THE FEDERAL "TRUTH IN LENDING ACT"
19 ON THE CONSUMER'S RIGHT TO RESCIND CERTAIN TRANSACTIONS.

20 **5-3-402. Buyer's right to cancel.** (1) EXCEPT AS PROVIDED IN
21 SUBSECTION (5) OF THIS SECTION, IN ADDITION TO ANY RIGHT OTHERWISE
22 TO REVOKE AN OFFER, THE BUYER HAS THE RIGHT TO CANCEL A HOME
23 SOLICITATION SALE UNTIL MIDNIGHT OF THE THIRD BUSINESS DAY AFTER
24 THE DAY ON WHICH THE BUYER SIGNS AN AGREEMENT OR OFFER TO
25 PURCHASE THAT COMPLIES WITH THIS PART 4.

26 (2) CANCELLATION OCCURS WHEN THE BUYER GIVES WRITTEN

1 NOTICE OF CANCELLATION TO THE SELLER AT THE ADDRESS STATED IN THE
2 AGREEMENT OR OFFER TO PURCHASE.

3 (3) NOTICE OF CANCELLATION, IF GIVEN BY MAIL, IS GIVEN WHEN
4 IT IS DEPOSITED IN A MAIL BOX PROPERLY ADDRESSED AND POSTAGE
5 PREPAID.

6 (4) NOTICE OF CANCELLATION GIVEN BY THE BUYER NEED NOT
7 TAKE A PARTICULAR FORM AND IS SUFFICIENT IF IT INDICATES BY ANY
8 FORM OF WRITTEN EXPRESSION THE INTENTION OF THE BUYER NOT TO BE
9 BOUND BY THE HOME SOLICITATION SALE.

10 (5) THE BUYER MAY NOT CANCEL A HOME SOLICITATION SALE IF,
11 BY SEPARATE DATED AND SIGNED STATEMENT THAT IS NOT AS TO ITS
12 MATERIAL PROVISIONS A PRINTED FORM AND DESCRIBES AN EMERGENCY
13 REQUIRING IMMEDIATE REMEDY, THE BUYER REQUESTS THE SELLER TO
14 PROVIDE GOODS OR SERVICES WITHOUT DELAY IN ORDER TO SAFEGUARD
15 THE HEALTH, SAFETY, OR WELFARE OF NATURAL PERSONS OR TO PREVENT
16 DAMAGE TO PROPERTY THE BUYER OWNS OR FOR WHICH THE BUYER IS
17 RESPONSIBLE, AND:

18 (a) THE SELLER IN GOOD FAITH MAKES A SUBSTANTIAL BEGINNING
19 OF PERFORMANCE OF THE CONTRACT BEFORE THE BUYER GIVES NOTICE OF
20 CANCELLATION; AND

21 (b) IN THE CASE OF GOODS, THE GOODS CANNOT BE RETURNED TO
22 THE SELLER IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED
23 BY THE BUYER.

24 **5-3-403. Form of agreement or offer - statement of buyer's**
25 **rights.** (1) IN A HOME SOLICITATION SALE, UNLESS THE BUYER REQUESTS
26 THE SELLER TO PROVIDE GOODS OR SERVICES WITHOUT DELAY IN AN

1 EMERGENCY, THE SELLER MUST PRESENT TO THE BUYER, AND OBTAIN HIS
2 SIGNATURE TO, A WRITTEN AGREEMENT OR OFFER TO PURCHASE THAT
3 DESIGNATES AS THE DATE OF THE TRANSACTION THE DATE ON WHICH THE
4 BUYER ACTUALLY SIGNS AND CONTAINS A STATEMENT OF THE BUYER'S
5 RIGHTS THAT COMPLIES WITH SUBSECTION (2) OF THIS SECTION. A COPY
6 OF ANY WRITING REQUIRED BY THIS SUBSECTION (1) TO BE SIGNED BY THE
7 BUYER, COMPLETED AT LEAST AS TO THE DATE OF THE TRANSACTION AND
8 THE NAME AND MAILING ADDRESS OF THE SELLER, SHALL BE GIVEN TO THE
9 BUYER AT THE TIME THE BUYER SIGNS THE WRITING.

10 (2) THE STATEMENT SHALL COMPLY WITH ANY NOTICE OF
11 CANCELLATION OR A SIMILAR REQUIREMENT OF ANY TRADE REGULATION
12 RULE OF THE FEDERAL TRADE COMMISSION THAT BY ITS TERMS APPLIES TO
13 THE HOME SOLICITATION SALE.

14 (3) UNTIL THE SELLER HAS COMPLIED WITH THIS SECTION, THE
15 BUYER MAY CANCEL THE HOME SOLICITATION SALE BY NOTIFYING THE
16 SELLER IN ANY MANNER AND BY ANY MEANS OF THE BUYER'S INTENTION
17 TO CANCEL; EXCEPT THAT THE BUYER'S RIGHT OF CANCELLATION SHALL
18 EXPIRE THREE YEARS AFTER THE DATE OF THE CONSUMMATION OF THE
19 HOME SOLICITATION SALE, NOTWITHSTANDING THE FACT THAT THE SELLER
20 HAS NOT COMPLIED WITH THIS PART 4.

21 **5-3-404. Restoration of down payment.** (1) WITHIN TEN DAYS
22 AFTER A NOTICE OF CANCELLATION HAS BEEN RECEIVED BY THE SELLER OR
23 AN OFFER TO PURCHASE HAS BEEN OTHERWISE REVOKED, THE SELLER
24 SHALL TENDER TO THE BUYER ANY PAYMENTS MADE BY THE BUYER, ANY
25 NOTE OR OTHER EVIDENCE OF INDEBTEDNESS, AND ANY GOODS TRADED IN.
26 A PROVISION PERMITTING THE SELLER TO KEEP ALL OR ANY PART OF ANY

1 GOODS TRADED IN, PAYMENT, NOTE, OR OTHER EVIDENCE OF
2 INDEBTEDNESS IS IN VIOLATION OF THIS SECTION AND UNENFORCEABLE.

3 (2) IF THE DOWN PAYMENT INCLUDES GOODS TRADED IN, THE
4 GOODS SHALL BE TENDERED IN SUBSTANTIALLY AS GOOD CONDITION AS
5 WHEN RECEIVED BY THE SELLER. IF THE SELLER FAILS TO TENDER THE
6 GOODS AS PROVIDED BY THIS SECTION, THE BUYER MAY ELECT TO
7 RECOVER AN AMOUNT EQUAL TO THE TRADE-IN ALLOWANCE STATED IN
8 THE AGREEMENT.

9 (3) UNTIL THE SELLER HAS COMPLIED WITH THE OBLIGATIONS
10 IMPOSED BY THIS SECTION, THE BUYER MAY RETAIN POSSESSION OF GOODS
11 DELIVERED TO THE BUYER BY THE SELLER AND HAS A LIEN ON THE GOODS
12 IN THE BUYER'S POSSESSION OR CONTROL FOR ANY RECOVERY TO WHICH
13 THE BUYER IS ENTITLED.

14 **5-3-405. Duty of buyer - no compensation for services prior to**
15 **cancellation.** (1) EXCEPT AS PROVIDED BY THE PROVISIONS ON
16 RETENTION OF GOODS BY THE BUYER CONTAINED IN SECTION 5-3-404 (3)
17 AND ALLOWING FOR ORDINARY WEAR AND TEAR OR CONSUMPTION OF THE
18 GOODS CONTEMPLATED BY THE TRANSACTION, WITHIN A REASONABLE
19 TIME AFTER A HOME SOLICITATION SALE HAS BEEN CANCELED OR AN OFFER
20 TO PURCHASE REVOKED, THE BUYER UPON DEMAND MUST TENDER TO THE
21 SELLER ANY GOODS DELIVERED BY THE SELLER PURSUANT TO THE SALE,
22 BUT THE BUYER IS NOT OBLIGATED TO TENDER AT ANY PLACE OTHER THAN
23 THE BUYER'S RESIDENCE. IF THE SELLER FAILS TO DEMAND POSSESSION OF
24 GOODS WITHIN A REASONABLE TIME AFTER CANCELLATION OR
25 REVOCATION, THE GOODS BECOME THE PROPERTY OF THE BUYER WITHOUT
26 OBLIGATION TO PAY FOR THEM. FOR THE PURPOSE OF THIS SECTION, FORTY

1 DAYS IS PRESUMED TO BE A REASONABLE TIME.

2 (2) THE BUYER HAS A DUTY TO TAKE REASONABLE CARE OF THE
3 GOODS IN HIS OR HER POSSESSION BEFORE CANCELLATION OR REVOCATION
4 AND FOR A REASONABLE TIME THEREAFTER DURING WHICH TIME THE
5 GOODS ARE OTHERWISE AT THE SELLER'S RISK.

6 (3) IF A HOME SOLICITATION SALE IS CANCELED, THE SELLER IS NOT
7 ENTITLED TO COMPENSATION FOR ANY SERVICES THE SELLER PERFORMED
8 PURSUANT TO IT.

9 PART 5

10 CONSUMER INSURANCE PREMIUM FINANCING

11 **5-3-501. Scope.** THE PROVISIONS OF THIS PART 5 APPLY TO
12 CONSUMER INSURANCE PREMIUM LOANS.

13 **5-3-502. Form of insurance premium loan agreement.** AN
14 AGREEMENT PURSUANT TO WHICH A CONSUMER INSURANCE PREMIUM
15 LOAN IS MADE SHALL CONTAIN THE NAMES OF THE INSURANCE AGENT OR
16 BROKER NEGOTIATING EACH POLICY OR CONTRACT AND OF THE INSURER
17 ISSUING EACH POLICY OR CONTRACT, THE NUMBER AND INCEPTION DATE
18 OF AND PREMIUM FOR EACH POLICY OR CONTRACT, THE DATE ON WHICH
19 THE TERM OF THE LOAN BEGINS, AND A CLEAR AND CONSPICUOUS NOTICE
20 THAT EACH POLICY OR CONTRACT MAY BE CANCELED IF PAYMENT IS NOT
21 MADE IN ACCORDANCE WITH THE AGREEMENT. IF A POLICY OR CONTRACT
22 HAS NOT BEEN ISSUED BY THE TIME THE AGREEMENT IS SIGNED, THE
23 AGREEMENT MAY PROVIDE THAT THE INSURANCE AGENT OR BROKER MAY
24 INSERT THE APPROPRIATE INFORMATION IN THE AGREEMENT AND, IF HE OR
25 SHE DOES SO, SHALL FURNISH THE INFORMATION PROMPTLY IN WRITING TO
26 THE INSURED.

1 PROVIDED IN RELATION TO A CONSUMER CREDIT TRANSACTION.

2 (2) THIS ARTICLE SUPPLEMENTS AND DOES NOT REPEAL THE
3 "CREDIT INSURANCE ACT", ARTICLE 10 OF TITLE 10, C.R.S. THE
4 PROVISIONS OF THIS CODE CONCERNING ADMINISTRATIVE CONTROLS,
5 LIABILITIES, AND PENALTIES DO NOT APPLY TO PERSONS ACTING AS
6 INSURERS, AND THE SIMILAR PROVISIONS OF THE "CREDIT INSURANCE
7 ACT" DO NOT APPLY TO CREDITORS AND CONSUMERS.

8 **5-4-103. Definitions - "consumer credit insurance" - "Credit**
9 **Insurance Act"**. AS USED IN THIS CODE, UNLESS THE CONTEXT
10 OTHERWISE REQUIRES:

11 (1) "CONSUMER CREDIT INSURANCE" MEANS INSURANCE, OTHER
12 THAN INSURANCE ON PROPERTY, BY WHICH THE SATISFACTION OF DEBT IN
13 WHOLE OR IN PART IS A BENEFIT PROVIDED BUT DOES NOT INCLUDE:

14 (a) INSURANCE, AS TO WHICH A FINANCE CHARGE IS IMPOSED AND
15 PROVIDED IN RELATION TO A CREDIT TRANSACTION IN WHICH A PAYMENT
16 IS SCHEDULED MORE THAN TEN YEARS AFTER THE EXTENSION OF CREDIT;

17 (b) INSURANCE ISSUED AS AN ISOLATED TRANSACTION ON THE PART
18 OF THE INSURER NOT RELATED TO AN AGREEMENT OR PLAN FOR INSURING
19 CONSUMERS OF THE CREDITOR; OR

20 (c) INSURANCE INDEMNIFYING THE CREDITOR AGAINST LOSS DUE
21 TO THE CONSUMER'S DEFAULT.

22 (2) "CREDIT INSURANCE ACT" MEANS THE "CREDIT INSURANCE
23 ACT", ARTICLE 10 OF TITLE 10, C.R.S.

24 **5-4-104. Creditor's provision of and charge for insurance -**
25 **excess amount of charge.** (1) EXCEPT AS OTHERWISE PROVIDED IN THIS
26 ARTICLE AND SUBJECT TO THE PROVISIONS ON ADDITIONAL CHARGES

1 CONTAINED IN SECTION 5-2-202 AND MAXIMUM CHARGES CONTAINED IN
2 SECTION 5-2-201, A CREDITOR MAY AGREE TO PROVIDE INSURANCE AND
3 MAY CONTRACT FOR AND RECEIVE A CHARGE FOR INSURANCE SEPARATE
4 FROM AND IN ADDITION TO OTHER CHARGES. A CREDITOR NEED NOT MAKE
5 A SEPARATE CHARGE FOR INSURANCE PROVIDED OR REQUIRED BY THE
6 CREDITOR. THIS CODE DOES NOT AUTHORIZE THE ISSUANCE OF ANY
7 INSURANCE PROHIBITED UNDER ANY STATUTE, OR RULE THEREUNDER,
8 GOVERNING THE BUSINESS OF INSURANCE.

9 (2) THE EXCESS AMOUNT OF A CHARGE FOR INSURANCE PROVIDED
10 FOR IN AGREEMENTS IN VIOLATION OF THIS ARTICLE IS AN EXCESS CHARGE
11 FOR THE PURPOSES OF:

12 (a) THE PROVISIONS ON REMEDIES AND PENALTIES CONTAINED IN
13 ARTICLE 5 OF THIS TITLE AS TO EFFECT OF VIOLATIONS ON RIGHTS OF
14 PARTIES UNDER SECTION 5-5-201; AND

15 (b) THE PROVISIONS ON ADMINISTRATION CONTAINED IN ARTICLE
16 6 OF THIS TITLE AS TO CIVIL ACTIONS BY THE ADMINISTRATOR UNDER
17 SECTION 5-6-114.

18 **5-4-105. Conditions applying to insurance to be provided by**
19 **creditor.** (1) IF A CREDITOR AGREES WITH A CONSUMER TO PROVIDE
20 INSURANCE:

21 (a) THE INSURANCE SHALL BE EVIDENCED BY AN INDIVIDUAL
22 POLICY OR CERTIFICATE OF INSURANCE DELIVERED TO THE CONSUMER OR
23 SENT TO THE CONSUMER AT HIS OR HER ADDRESS AS STATED BY THE
24 CONSUMER WITHIN THIRTY DAYS AFTER THE TERM OF THE INSURANCE
25 COMMENCES UNDER THE AGREEMENT BETWEEN THE CREDITOR AND
26 CONSUMER; OR

1 (b) THE CREDITOR SHALL PROMPTLY NOTIFY THE CONSUMER OF
2 ANY FAILURE OR DELAY IN PROVIDING THE INSURANCE.

3 **5-4-106. Unconscionability.** (1) IN APPLYING THE PROVISIONS OF
4 THIS CODE ON UNCONSCIONABILITY CONTAINED IN SECTIONS 5-5-109 AND
5 5-6-112 TO A SEPARATE CHARGE FOR INSURANCE, CONSIDERATION SHALL
6 BE GIVEN, AMONG OTHER FACTORS, TO:

7 (a) POTENTIAL BENEFITS TO THE CONSUMER INCLUDING THE
8 SATISFACTION OF THE CONSUMER'S OBLIGATIONS;

9 (b) THE CREDITOR'S NEED FOR THE PROTECTION PROVIDED BY THE
10 INSURANCE; AND

11 (c) THE RELATION BETWEEN THE AMOUNT AND TERMS OF CREDIT
12 GRANTED AND THE INSURANCE BENEFITS PROVIDED.

13 (2) IF CONSUMER CREDIT INSURANCE OTHERWISE COMPLIES WITH
14 THIS ARTICLE AND OTHER APPLICABLE LAW, NEITHER THE AMOUNT NOR
15 THE TERM OF THE INSURANCE NOR THE AMOUNT OF A CHARGE THEREFOR
16 IS IN ITSELF UNCONSCIONABLE.

17 **5-4-107. Maximum charge by creditor for insurance.**

18 (1) EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS SECTION, IF A
19 CREDITOR CONTRACTS FOR OR RECEIVES A SEPARATE CHARGE FOR
20 INSURANCE, THE AMOUNT CHARGED TO THE CONSUMER FOR THE
21 INSURANCE MAY NOT EXCEED THE PREMIUM TO BE CHARGED BY THE
22 INSURER AS COMPUTED AT THE TIME THE CHARGE TO THE CONSUMER IS
23 DETERMINED CONFORMING TO ANY RATE FILINGS REQUIRED BY LAW AND
24 MADE BY THE INSURER WITH THE COMMISSIONER OF INSURANCE.

25 (2) A CREDITOR WHO PROVIDES CONSUMER CREDIT INSURANCE IN
26 RELATION TO A REVOLVING CREDIT ACCOUNT MAY CALCULATE THE

1 CHARGE TO THE CONSUMER IN EACH BILLING CYCLE BY APPLYING THE
2 CURRENT PREMIUM RATE TO:

3 (a) THE AVERAGE DAILY UNPAID BALANCE OF THE DEBT IN THE
4 CYCLE;

5 (b) THE UNPAID BALANCE OF THE DEBT OR A MEDIAN AMOUNT
6 WITHIN A SPECIFIED RANGE OF UNPAID BALANCES OF DEBT ON
7 APPROXIMATELY THE SAME DAY OF THE CYCLE. THE DAY OF THE CYCLE
8 NEED NOT BE THE DAY USED IN CALCULATING THE FINANCE CHARGE, BUT
9 THE SPECIFIED RANGE SHALL BE THE RANGE USED FOR THAT PURPOSE; OR

10 (c) THE UNPAID BALANCES OF THE AMOUNT FINANCED
11 CALCULATED ACCORDING TO THE ACTUARIAL METHOD.

12 **5-4-108. Refund or credit required - amount.** (1) (a) EXCEPT
13 AS PROVIDED IN SUBSECTION (3) OF THIS SECTION, AN APPROPRIATE
14 REFUND OR CREDIT OF UNEARNED PREMIUMS SHALL BE MADE TO THE
15 PERSON ENTITLED THERETO WITH RESPECT TO ANY SEPARATE CHARGE
16 MADE TO THE CONSUMER FOR INSURANCE IF:

17 (I) THE INSURANCE IS NOT PROVIDED OR IS PROVIDED FOR A
18 SHORTER TERM THAN THAT FOR WHICH THE CHARGE TO THE CONSUMER
19 FOR INSURANCE WAS COMPUTED; OR

20 (II) THE INSURANCE TERMINATES PRIOR TO THE END OF THE TERM
21 FOR WHICH IT WAS WRITTEN BECAUSE OF PREPAYMENT IN FULL OF THE
22 INDEBTEDNESS OR THE INSURANCE TERMINATES FOR ANY OTHER REASON.

23 (b) ALL CONSUMER CREDIT INSURANCE SHALL TERMINATE UPON
24 PREPAYMENT IN FULL OF THE INDEBTEDNESS.

25 (2) IF A REFUND OR CREDIT OF UNEARNED PREMIUMS IS REQUIRED
26 PURSUANT TO THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION:

1 (a) THE ORIGINAL CREDITOR, IF HE OR SHE IS THE HOLDER OF THE
2 INDEBTEDNESS AT THE TIME OF PREPAYMENT, SHALL EITHER PROMPTLY
3 MAKE THE APPROPRIATE REFUND OR CREDIT OR SHALL PROMPTLY NOTIFY
4 THE CONSUMER AND THE INSURER IN WRITING THAT A REFUND OR CREDIT
5 IS DUE. UPON THE RECEIPT OF NOTICE THAT A REFUND OR CREDIT IS DUE,
6 THE INSURER SHALL PROMPTLY MAKE AN APPROPRIATE REFUND OR CREDIT
7 OF UNEARNED PREMIUMS PURSUANT TO THE PROVISIONS OF SECTION
8 10-10-110 (2), C.R.S. FOR PURPOSES OF THIS SECTION, "ORIGINAL
9 CREDITOR" MEANS THE PERSON TO WHOM THE INDEBTEDNESS WAS
10 INITIALLY PAYABLE, AND "INSURER" MEANS EVERY PERSON ENGAGED AS
11 PRINCIPAL, INDEMNITOR, SURETY, OR CONTRACTOR IN THE BUSINESS OF
12 MAKING CONTRACTS OF INSURANCE, EXCLUDING ANY LICENSED
13 INSURANCE AGENT.

14 (b) (I) THE ASSIGNEE, IF THE INDEBTEDNESS HAS BEEN ASSIGNED,
15 SHALL EITHER PROMPTLY MAKE THE APPROPRIATE REFUND OR CREDIT OR
16 SHALL PROMPTLY NOTIFY THE CONSUMER, THE ORIGINAL CREDITOR, AND
17 THE INSURER, IF KNOWN, IN WRITING THAT A REFUND OR CREDIT IS DUE.
18 FOR THE PURPOSES OF THIS SECTION, "ASSIGNEE" MEANS A PERSON OTHER
19 THAN THE ORIGINAL CREDITOR WHO AT THE TIME OF PREPAYMENT HOLDS
20 THE INDEBTEDNESS.

21 (II) THE ORIGINAL CREDITOR, UPON RECEIPT OF NOTICE PURSUANT
22 TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), SHALL EITHER PROMPTLY
23 MAKE THE APPROPRIATE REFUND OR CREDIT OR SHALL PROMPTLY NOTIFY
24 THE INSURER IN WRITING THAT A REFUND OR CREDIT OF UNEARNED
25 PREMIUMS IS DUE.

26 (c) THE INSURER, UPON THE RECEIPT OF NOTICE THAT A REFUND OR

1 CREDIT IS DUE PURSUANT TO PARAGRAPH (a) OR (b) OF THIS SUBSECTION
2 (2), SHALL MAKE AN APPROPRIATE REFUND OR CREDIT OF UNEARNED
3 PREMIUMS PURSUANT TO THE PROVISIONS OF SECTION 10-10-110 (2),
4 C.R.S., AND SUBSECTION (1) OF THIS SECTION.

5 (d) AN ASSIGNEE OR ORIGINAL CREDITOR GIVES NOTICE PURSUANT
6 TO THIS SECTION UPON DELIVERY OR MAILING OF THE NOTICE TO THE LAST
7 ADDRESS PROVIDED TO HIM OR HER. ONCE AN ORIGINAL CREDITOR OR AN
8 ASSIGNEE HAS NOTIFIED THE APPROPRIATE PARTY, AS PROVIDED IN
9 PARAGRAPHS (a) AND (b) OF THIS SUBSECTION (2), THE ORIGINAL CREDITOR
10 AND THE ASSIGNEE SHALL HAVE NO FURTHER OBLIGATIONS.

11 (3) THIS ARTICLE DOES NOT REQUIRE A REFUND OR CREDIT OF
12 UNEARNED PREMIUMS IF:

13 (a) ALL REFUNDS AND CREDITS DUE TO THE DEBTOR UNDER THIS
14 ARTICLE AMOUNT TO LESS THAN ONE DOLLAR; OR

15 (b) THE CHARGE FOR INSURANCE IS COMPUTED FROM TIME TO TIME
16 ON THE OUTSTANDING BALANCE OF THE INDEBTEDNESS AND THE CHARGE
17 RELATES TO ONLY ONE PREMIUM PERIOD.

18 (4) EXCEPT AS OTHERWISE REQUIRED, A REFUND OR CREDIT IS NOT
19 REQUIRED BECAUSE:

20 (a) THE INSURANCE IS TERMINATED BY PAYMENT OF PROCEEDS
21 UNDER THE POLICY; OR

22 (b) THE ORIGINAL CREDITOR OR ASSIGNEE PAYS OR ACCOUNTS FOR
23 PREMIUMS TO THE INSURER IN THE AMOUNTS AND AT THE TIMES
24 DETERMINED BY THE AGREEMENT BETWEEN THEM; OR

25 (c) THE ORIGINAL CREDITOR OR ASSIGNEE RECEIVES DIRECTLY OR
26 INDIRECTLY UNDER ANY POLICY OF INSURANCE A GAIN OR ADVANTAGE

1 NOT PROHIBITED BY LAW.

2 (5) IF A SINGLE TYPE OF INSURANCE IS TERMINATED BY THE
3 PAYMENT OF PROCEEDS UNDER THE POLICY PURSUANT TO PARAGRAPH (a)
4 OF SUBSECTION (4) OF THIS SECTION, A REFUND OR CREDIT OF UNEARNED
5 PREMIUMS FOR ALL OTHER TYPES OF CONSUMER CREDIT INSURANCE ISSUED
6 ON THE SAME INDEBTEDNESS SHALL BE MADE IF SO REQUIRED BY THE
7 PROVISIONS OF THIS SECTION AND SECTION 10-10-110 (2), C.R.S.

8 (6) A REFUND OR CREDIT REQUIRED BY SUBSECTION (1) OF THIS
9 SECTION IS APPROPRIATE AS TO AMOUNT IF IT IS COMPUTED ACCORDING TO
10 A METHOD PRESCRIBED OR APPROVED BY THE COMMISSIONER OF
11 INSURANCE OR A FORMULA FILED BY THE INSURER WITH THE
12 COMMISSIONER OF INSURANCE AT LEAST THIRTY DAYS BEFORE THE
13 CONSUMER'S RIGHT TO A REFUND OR CREDIT BECOMES DETERMINABLE
14 UNLESS THE METHOD OR FORMULA IS EMPLOYED AFTER THE
15 COMMISSIONER OF INSURANCE NOTIFIES THE INSURER THAT HE OR SHE
16 DISAPPROVES IT.

17 **5-4-109. Existing insurance - choice of insurer.** IF A CREDITOR
18 REQUIRES INSURANCE, UPON NOTICE TO THE CREDITOR THE CONSUMER
19 SHALL HAVE THE OPTION OF PROVIDING THE REQUIRED INSURANCE
20 THROUGH AN EXISTING POLICY OF INSURANCE OWNED OR CONTROLLED BY
21 THE CONSUMER OR THROUGH A POLICY TO BE OBTAINED AND PAID FOR BY
22 THE CONSUMER, BUT THE CREDITOR MAY FOR REASONABLE CAUSE DECLINE
23 THE INSURANCE PROVIDED BY THE CONSUMER.

24 **5-4-110. Charge for insurance in connection with a deferral,**
25 **refinancing, or consolidation - duplicate charges.** (1) A CREDITOR MAY
26 NOT CONTRACT FOR OR RECEIVE A SEPARATE CHARGE FOR INSURANCE IN

1 CONNECTION WITH A DEFERRAL DESCRIBED IN SECTION 5-2-204, A
2 REFINANCING DESCRIBED IN SECTION 5-2-205, OR A CONSOLIDATION
3 DESCRIBED IN SECTION 5-2-206 UNLESS:

4 (a) THE CONSUMER AGREES AT OR BEFORE THE TIME OF THE
5 DEFERRAL, REFINANCING, OR CONSOLIDATION THAT THE CHARGE MAY BE
6 MADE;

7 (b) THE CONSUMER IS OR IS TO BE PROVIDED WITH INSURANCE FOR
8 AN AMOUNT OR A TERM, OR INSURANCE OF A KIND, IN ADDITION TO THAT
9 TO WHICH THE CONSUMER WOULD HAVE BEEN ENTITLED HAD THERE BEEN
10 NO DEFERRAL, REFINANCING, OR CONSOLIDATION;

11 (c) THE CONSUMER RECEIVES A REFUND OR CREDIT ON ACCOUNT
12 OF ANY UNEXPIRED TERM OF EXISTING INSURANCE IN THE AMOUNT THAT
13 WOULD BE REQUIRED IF THE INSURANCE WERE TERMINATED UNDER
14 SECTION 5-4-108; AND

15 (d) THE CHARGE DOES NOT EXCEED THE AMOUNT PERMITTED
16 UNDER SECTION 5-4-107.

17 (2) A CREDITOR MAY NOT CONTRACT FOR OR RECEIVE A SEPARATE
18 CHARGE FOR INSURANCE THAT DUPLICATES INSURANCE WITH RESPECT TO
19 WHICH THE CREDITOR HAS PREVIOUSLY CONTRACTED FOR OR RECEIVED A
20 SEPARATE CHARGE.

21 **5-4-111. Cooperation between administrator and commissioner**
22 **of insurance.** THE ADMINISTRATOR AND THE COMMISSIONER OF
23 INSURANCE ARE AUTHORIZED AND DIRECTED TO CONSULT AND ASSIST ONE
24 ANOTHER IN MAINTAINING COMPLIANCE WITH THIS ARTICLE. THEY MAY
25 JOINTLY PURSUE INVESTIGATIONS, PROSECUTE SUITS, AND TAKE OTHER
26 OFFICIAL ACTION, AS MAY SEEM TO THEM APPROPRIATE, IF EITHER OF THEM

1 IS OTHERWISE EMPOWERED TO TAKE THE ACTION. IF THE ADMINISTRATOR
2 IS INFORMED OF A VIOLATION OR SUSPECTED VIOLATION BY AN INSURER OF
3 THIS ARTICLE OR OF THE INSURANCE LAWS, RULES, AND REGULATIONS OF
4 THIS STATE, THE ADMINISTRATOR SHALL ADVISE THE COMMISSIONER OF
5 INSURANCE OF THE CIRCUMSTANCES.

6 **5-4-112. Administrative action of commissioner of insurance.**

7 (1) TO THE EXTENT THAT THE COMMISSIONER'S RESPONSIBILITY UNDER
8 THIS ARTICLE REQUIRES, THE COMMISSIONER OF INSURANCE SHALL
9 PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.,
10 WITH RESPECT TO INSURERS, AND WITH RESPECT TO REFUNDS DESCRIBED
11 IN SECTION 5-4-108, FORMS, SCHEDULES OF PREMIUM RATES AND CHARGES
12 DESCRIBED IN SECTION 5-4-203, AND THE COMMISSIONER'S APPROVAL OR
13 DISAPPROVAL THEREOF AND, IN CASE OF VIOLATION, MAY MAKE AN ORDER
14 FOR COMPLIANCE.

15 (2) SECTIONS 24-4-102 TO 24-4-106, C.R.S., APPLY TO AND
16 GOVERN ALL ADMINISTRATIVE ACTION TAKEN BY THE COMMISSIONER OF
17 INSURANCE PURSUANT TO THIS SECTION.

18 **PART 2**
19 **CONSUMER CREDIT INSURANCE**

20 **5-4-201. Term of insurance.** (1) CONSUMER CREDIT INSURANCE
21 PROVIDED BY A CREDITOR MAY BE SUBJECT TO THE FURNISHING OF
22 EVIDENCE OF INSURABILITY SATISFACTORY TO THE INSURER. WHETHER OR
23 NOT SUCH EVIDENCE IS REQUIRED, THE TERM OF THE INSURANCE SHALL
24 COMMENCE NO LATER THAN WHEN THE CONSUMER BECOMES OBLIGATED
25 TO THE CREDITOR OR WHEN THE CONSUMER APPLIES FOR THE INSURANCE,
26 WHICHEVER IS LATER, EXCEPT AS FOLLOWS:

1 (a) IF ANY REQUIRED EVIDENCE OF INSURABILITY IS NOT
2 FURNISHED UNTIL MORE THAN THIRTY DAYS AFTER THE TERM WOULD
3 OTHERWISE COMMENCE, THE TERM MAY COMMENCE ON THE DATE WHEN
4 THE INSURER DETERMINES THE EVIDENCE TO BE SATISFACTORY; OR

5 (b) IF THE CREDITOR PROVIDES INSURANCE NOT PREVIOUSLY
6 PROVIDED COVERING DEBTS PREVIOUSLY CREATED, THE TERM MAY
7 COMMENCE ON THE EFFECTIVE DATE OF THE POLICY.

8 (2) THE ORIGINALLY SCHEDULED TERM OF THE INSURANCE SHALL
9 EXTEND AT LEAST UNTIL THE DUE DATE OF THE LAST SCHEDULED PAYMENT
10 OF THE DEBT EXCEPT AS FOLLOWS:

11 (a) IF THE INSURANCE RELATES TO A REVOLVING CREDIT ACCOUNT,
12 THE TERM NEED EXTEND ONLY UNTIL THE PAYMENT OF THE DEBT UNDER
13 THE ACCOUNT AND MAY BE SOONER TERMINATED AFTER AT LEAST THIRTY
14 DAYS' NOTICE TO THE CONSUMER; OR

15 (b) IF THE CONSUMER IS ADVISED IN WRITING THAT THE INSURANCE
16 WILL BE WRITTEN FOR A SPECIFIED SHORTER TIME, THE TERM NEED EXTEND
17 ONLY UNTIL THE END OF THE SPECIFIED TIME.

18 (3) THE TERM OF THE INSURANCE SHALL NOT EXTEND MORE THAN
19 THIRTY DAYS AFTER THE ORIGINALLY SCHEDULED DUE DATE OF THE LAST
20 SCHEDULED PAYMENT OF THE DEBT UNLESS IT IS EXTENDED WITHOUT
21 ADDITIONAL COST TO THE CONSUMER OR AS AN INCIDENT TO A DEFERRAL,
22 REFINANCING, OR CONSOLIDATION.

23 **5-4-202. Amount of insurance.** (1) EXCEPT AS PROVIDED IN
24 SUBSECTION (2) OF THIS SECTION:

25 (a) IN THE CASE OF CONSUMER CREDIT INSURANCE PROVIDING LIFE
26 COVERAGE, THE AMOUNT OF INSURANCE MAY NOT INITIALLY EXCEED THE

1 DEBT AND, IF THE DEBT IS PAYABLE IN INSTALLMENTS, MAY NOT AT ANY
2 TIME EXCEED THE GREATER OF THE SCHEDULED OR ACTUAL AMOUNT OF
3 THE DEBT; OR

4 (b) IN THE CASE OF ANY OTHER CONSUMER CREDIT INSURANCE, THE
5 TOTAL AMOUNT OF PERIODIC BENEFITS PAYABLE MAY NOT EXCEED THE
6 TOTAL OF SCHEDULED UNPAID INSTALLMENTS OF THE DEBT, AND THE
7 AMOUNT OF ANY PERIODIC BENEFIT MAY NOT EXCEED THE ORIGINAL
8 AMOUNT OF DEBT DIVIDED BY THE NUMBER OF PERIODIC INSTALLMENTS IN
9 WHICH IT IS PAYABLE.

10 (2) IF CONSUMER CREDIT INSURANCE IS PROVIDED IN CONNECTION
11 WITH A REVOLVING CREDIT ACCOUNT, THE AMOUNTS PAYABLE AS
12 INSURANCE BENEFITS MAY BE REASONABLY COMMENSURATE WITH THE
13 AMOUNT OF DEBT AS IT EXISTS FROM TIME TO TIME. IF CONSUMER CREDIT
14 INSURANCE IS PROVIDED IN CONNECTION WITH A COMMITMENT TO GRANT
15 CREDIT IN THE FUTURE, THE AMOUNTS PAYABLE AS INSURANCE BENEFITS
16 MAY BE REASONABLY COMMENSURATE WITH THE TOTAL FROM TIME TO
17 TIME OF THE AMOUNT OF DEBT AND THE AMOUNT OF THE COMMITMENT.

18 **5-4-203. Filing and approval of rates and forms.** (1) A
19 CREDITOR MAY NOT USE A FORM OR A SCHEDULE OF PREMIUM RATES OR
20 CHARGES, THE FILING OF WHICH IS REQUIRED BY THIS SECTION, IF THE
21 COMMISSIONER OF INSURANCE HAS DISAPPROVED THE FORM OR SCHEDULE
22 AND HAS NOTIFIED THE INSURER OF THE COMMISSIONER'S DISAPPROVAL.
23 A CREDITOR MAY NOT USE A FORM OR SCHEDULE UNLESS:

24 (a) THE FORM OR SCHEDULE HAS BEEN ON FILE WITH THE
25 COMMISSIONER OF INSURANCE FOR THIRTY DAYS OR HAS EARLIER BEEN
26 APPROVED BY THE COMMISSIONER; AND

1 (b) THE INSURER HAS COMPLIED WITH THIS SECTION WITH RESPECT
2 TO THE INSURANCE.

3 (2) EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION, ALL
4 POLICIES, CERTIFICATES OF INSURANCE, NOTICES OF PROPOSED INSURANCE,
5 APPLICATIONS FOR INSURANCE, ENDORSEMENTS AND RIDERS RELATING TO
6 CONSUMER CREDIT INSURANCE DELIVERED OR ISSUED FOR DELIVERY IN
7 THIS STATE, AND THE SCHEDULES OF PREMIUM RATES OR CHARGES
8 PERTAINING THERETO SHALL BE FILED BY THE INSURER WITH THE
9 COMMISSIONER OF INSURANCE. WITHIN THIRTY DAYS AFTER THE FILING
10 OF ANY FORM OR SCHEDULE, THE COMMISSIONER SHALL DISAPPROVE IT IF
11 THE PREMIUM RATES OR CHARGES ARE UNREASONABLE IN RELATION TO
12 THE BENEFITS PROVIDED UNDER THE FORM OR IF THE FORM CONTAINS
13 PROVISIONS THAT ARE UNJUST, UNFAIR, INEQUITABLE, OR DECEPTIVE OR
14 ENCOURAGE MISREPRESENTATION OF THE COVERAGE OR ARE CONTRARY
15 TO ANY PROVISION OF TITLE 10, C.R.S., OR OF ANY RULE OR REGULATION
16 PROMULGATED THEREUNDER. A PREMIUM RATE OR SCHEDULE OF PREMIUM
17 RATES SHALL BE DEEMED REASONABLE FOR ALL PURPOSES UNDER THIS
18 CODE IF THE RATE OR SCHEDULE PRODUCES OR REASONABLY MAY BE
19 EXPECTED TO PRODUCE A RATIO OF INCURRED CLAIMS TO EARNED
20 PREMIUM OF NOT LESS THAN FORTY PERCENT.

21 (3) IF A GROUP POLICY HAS BEEN DELIVERED IN ANOTHER STATE,
22 THE FORMS TO BE FILED BY THE INSURER WITH THE COMMISSIONER OF
23 INSURANCE ARE THE GROUP CERTIFICATES AND NOTICES OF PROPOSED
24 INSURANCE. THE COMMISSIONER SHALL APPROVE THEM IF:

25 (a) THEY PROVIDE THE INFORMATION THAT WOULD BE REQUIRED
26 IF THE GROUP POLICY WERE DELIVERED IN THIS STATE; AND

1 (b) THE APPLICABLE PREMIUM RATES OR CHARGES DO NOT EXCEED
2 THOSE ESTABLISHED BY THE COMMISSIONER'S RULES OR REGULATIONS.

3 PART 3

4 PROPERTY AND LIABILITY INSURANCE

5 **5-4-301. Property insurance.** (1) A CREDITOR MAY NOT
6 CONTRACT FOR OR RECEIVE A SEPARATE CHARGE FOR INSURANCE AGAINST
7 LOSS OF OR DAMAGE TO PROPERTY UNLESS:

8 (a) THE INSURANCE COVERS A SUBSTANTIAL RISK OF LOSS OF OR
9 DAMAGE TO PROPERTY RELATED TO THE CREDIT TRANSACTION;

10 (b) THE AMOUNT, TERMS, AND CONDITIONS OF THE INSURANCE ARE
11 REASONABLE IN RELATION TO THE CHARACTER AND VALUE OF THE
12 PROPERTY INSURED OR TO BE INSURED; AND

13 (c) THE TERM OF THE INSURANCE IS REASONABLE IN RELATION TO
14 THE TERMS OF CREDIT.

15 (2) THE TERM OF THE INSURANCE IS REASONABLE IF IT IS
16 CUSTOMARY AND DOES NOT EXTEND SUBSTANTIALLY BEYOND A
17 SCHEDULED MATURITY.

18 (3) A CREDITOR MAY NOT CONTRACT FOR OR RECEIVE A SEPARATE
19 CHARGE FOR INSURANCE AGAINST LOSS OF OR DAMAGE TO PROPERTY
20 UNLESS THE AMOUNT FINANCED EXCLUSIVE OF CHARGES FOR THE
21 INSURANCE IS ONE THOUSAND DOLLARS OR MORE AND THE VALUE OF THE
22 PROPERTY IS ONE THOUSAND DOLLARS OR MORE.

23 **5-4-302. Insurance on creditor's interest only.** IF A CREDITOR
24 CONTRACTS FOR OR RECEIVES A SEPARATE CHARGE FOR INSURANCE
25 AGAINST LOSS OF OR DAMAGE TO PROPERTY, THE RISK OF LOSS OR DAMAGE
26 NOT WILLFULLY CAUSED BY THE CONSUMER IS ON THE CONSUMER ONLY TO

1 THE EXTENT OF ANY DEFICIENCY IN THE EFFECTIVE COVERAGE OF THE
2 INSURANCE EVEN THOUGH THE INSURANCE COVERS ONLY THE INTEREST OF
3 THE CREDITOR.

4 **5-4-303. Liability insurance.** A CREDITOR MAY NOT CONTRACT
5 FOR OR RECEIVE A SEPARATE CHARGE FOR INSURANCE AGAINST LIABILITY
6 UNLESS THE INSURANCE COVERS A SUBSTANTIAL RISK OF LIABILITY
7 ARISING OUT OF THE OWNERSHIP OR USE OF PROPERTY RELATED TO THE
8 CREDIT TRANSACTION.

9 **5-4-304. Cancellation by creditor.** THIS SECTION DOES NOT
10 APPLY TO AN INSURANCE PREMIUM LOAN. A CREDITOR SHALL NOT
11 REQUEST CANCELLATION OF A POLICY OF PROPERTY OR LIABILITY
12 INSURANCE EXCEPT AFTER THE CONSUMER'S DEFAULT OR IN ACCORDANCE
13 WITH A WRITTEN AUTHORIZATION BY THE CONSUMER, AND IN EITHER CASE
14 THE CANCELLATION DOES NOT TAKE EFFECT UNTIL WRITTEN NOTICE IS
15 DELIVERED TO THE CONSUMER OR MAILED TO THE CONSUMER AT HIS OR
16 HER ADDRESS AS STATED BY THE CONSUMER. THE NOTICE SHALL STATE
17 THAT THE POLICY MAY BE CANCELED ON A DATE NOT LESS THAN TEN DAYS
18 AFTER THE NOTICE IS DELIVERED OR, IF THE NOTICE IS MAILED, NOT LESS
19 THAN THIRTEEN DAYS AFTER IT IS MAILED.

20 **ARTICLE 5**

21 **Remedies and Penalties**

22 **PART 1**

23 **LIMITATIONS ON CREDITORS' REMEDIES**

24 **5-5-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY BE
25 CITED AS **THE** "UNIFORM CONSUMER CREDIT CODE - REMEDIES AND
26 PENALTIES".

1 **5-5-102. Scope.** THIS PART 1 APPLIES TO ACTIONS OR OTHER
2 PROCEEDINGS TO ENFORCE RIGHTS ARISING FROM CONSUMER CREDIT
3 TRANSACTIONS.

4 **5-5-103. Restrictions on deficiency judgments in consumer**
5 **credit sales.** (1) THIS SECTION APPLIES TO A CONSUMER CREDIT SALE OF
6 GOODS OR SERVICES. A CONSUMER IS NOT LIABLE FOR A DEFICIENCY
7 UNLESS THE CREDITOR HAS DISPOSED OF THE GOODS IN ACCORDANCE WITH
8 THE PROVISIONS ON THE DISPOSITION OF COLLATERAL OF THE "UNIFORM
9 COMMERCIAL CODE" CONTAINED IN PART 5 OF ARTICLE 9 OF TITLE 4,
10 C.R.S.

11 (2) IF THE CREDITOR REPOSSESSES, WITH OR WITHOUT THE AID OF
12 JUDICIAL PROCESS, OR VOLUNTARILY ACCEPTS SURRENDER OF GOODS THAT
13 WERE THE SUBJECT OF THE SALE AND IN WHICH THE CREDITOR HAS A
14 SECURITY INTEREST, THE PARTIES OBLIGATED ARE NOT PERSONALLY
15 LIABLE TO THE CREDITOR FOR THE UNPAID BALANCE OF THE DEBT ARISING
16 FROM THE SALE OF A COMMERCIAL UNIT OF GOODS OF WHICH THE CASH
17 SALE PRICE WAS THREE THOUSAND DOLLARS OR LESS, AND THE
18 CREDITOR'S DUTY TO DISPOSE OF THE COLLATERAL IS GOVERNED BY THE
19 PROVISIONS ON THE DISPOSITION OF COLLATERAL OF THE "UNIFORM
20 COMMERCIAL CODE" CONTAINED IN PART 5 OF ARTICLE 9 OF TITLE 4,
21 C.R.S.

22 (3) IF THE CREDITOR REPOSSESSES, WITH OR WITHOUT THE AID OF
23 JUDICIAL PROCESS, OR VOLUNTARILY ACCEPTS SURRENDER OF GOODS THAT
24 WERE NOT THE SUBJECT OF THE SALE BUT IN WHICH THE CREDITOR HAS A
25 SECURITY INTEREST TO SECURE A DEBT ARISING FROM A SALE OF GOODS OR
26 SERVICES OR A COMBINED SALE OF GOODS AND SERVICES AND THE CASH

1 PRICE OF THE SALE WAS TWO THOUSAND ONE HUNDRED DOLLARS OR LESS,
2 THE PARTIES OBLIGATED ARE NOT PERSONALLY LIABLE TO THE CREDITOR
3 FOR THE UNPAID BALANCE OF THE DEBT ARISING FROM THE SALE, AND THE
4 CREDITOR'S DUTY TO DISPOSE OF THE COLLATERAL IS GOVERNED BY THE
5 PROVISIONS ON DISPOSITION OF COLLATERAL OF THE "UNIFORM
6 COMMERCIAL CODE" CONTAINED IN PART 5 OF ARTICLE 9 OF TITLE 4,
7 C.R.S.

8 (4) FOR THE PURPOSE OF DETERMINING THE UNPAID BALANCE OF
9 CONSOLIDATED DEBTS OR DEBTS PURSUANT TO REVOLVING CREDIT
10 ACCOUNTS, THE ALLOCATION OF PAYMENTS TO A DEBT SHALL BE
11 DETERMINED IN THE SAME MANNER AS PROVIDED FOR DETERMINING THE
12 AMOUNT OF DEBTS SECURED BY VARIOUS SECURITY INTERESTS UNDER
13 SECTIONS 5-3-202 AND 5-3-203.

14 (5) THE CONSUMER MAY BE LIABLE IN DAMAGES TO THE CREDITOR
15 IF THE CONSUMER HAS MISUSED, ABUSED, OR WRONGFULLY DAMAGED THE
16 COLLATERAL OR IF, AFTER DEFAULT AND DEMAND IN WRITING, THE
17 CONSUMER HAS WRONGFULLY FAILED TO MAKE THE COLLATERAL
18 AVAILABLE TO THE CREDITOR. NOTHING IN THIS SECTION SHALL LIMIT OR
19 RESTRICT THE REMEDIES OF THE HOLDERS OF A SECURITY INTEREST FOR
20 DAMAGE TO THE COLLATERAL BECAUSE OF CONVERSION, DESTRUCTION, OR
21 OTHER WRONGFUL ACTS.

22 (6) IF THE CREDITOR ELECTS TO BRING AN ACTION AGAINST THE
23 CONSUMER FOR A DEBT ARISING FROM A CONSUMER CREDIT SALE OF
24 GOODS OR SERVICES, WHEN UNDER THIS SECTION THE CREDITOR WOULD
25 NOT BE ENTITLED TO A DEFICIENCY JUDGMENT IF THE CREDITOR TOOK
26 POSSESSION OF THE COLLATERAL, AND OBTAINS JUDGMENT:

1 (a) THE CREDITOR MAY NOT TAKE POSSESSION OF THE
2 COLLATERAL; AND

3 (b) THE COLLATERAL IS NOT SUBJECT TO LEVY OR SALE ON
4 EXECUTION OR SIMILAR PROCEEDINGS PURSUANT TO THE JUDGMENT.

5 **5-5-104. Insecurity and impaired collateral.** (1) IF A CREDITOR
6 TAKES POSSESSION OF ANY COLLATERAL BECAUSE THE CREDITOR DEEMS
7 HIMSELF OR HERSELF INSECURE OR BECAUSE THE CREDITOR FEELS HIS OR
8 HER COLLATERAL IS IMPAIRED, AND THE CREDITOR FAILS TO PROVE THAT,
9 AT THE TIME POSSESSION WAS TAKEN, THE CREDITOR, IN GOOD FAITH, HAD
10 REASONABLE CAUSE TO BELIEVE THAT HE OR SHE WAS INSECURE OR THAT
11 HIS OR HER COLLATERAL WAS IMPAIRED:

12 (a) THE CREDITOR SHALL BE LIABLE TO THE CONSUMER FOR COURT
13 COSTS AND ATTORNEY FEES AS DETERMINED BY THE COURT; AND

14 (b) THE CONSUMER SHALL NOT BE LIABLE FOR ANY FINANCE
15 CHARGE INCURRED DURING THE PERIOD THE CONSUMER IS WITHOUT USE
16 OF THE COLLATERAL.

17 **5-5-105. No garnishment before judgment.** PRIOR TO ENTRY OF
18 JUDGMENT IN AN ACTION AGAINST THE CONSUMER FOR DEBT ARISING FROM
19 A CONSUMER CREDIT TRANSACTION, THE CREDITOR MAY NOT REPLEVIN
20 GOODS, EXCEPT MOTOR VEHICLES, OF THE CONSUMER WITH THE USE OF
21 FORCE FROM A DWELLING UPON AN EX PARTE ORDER OF COURT OR ATTACH
22 UNPAID EARNINGS OF THE CONSUMER BY GARNISHMENT OR LIKE
23 PROCEEDINGS.

24 **5-5-106. Limitation on garnishment.** (1) FOR THE PURPOSES OF
25 THIS PART 1:

26 (a) "DISPOSABLE EARNINGS" MEANS THAT PART OF THE EARNINGS

1 OF AN INDIVIDUAL REMAINING AFTER THE DEDUCTION FROM THOSE
2 EARNINGS OF AMOUNTS REQUIRED BY LAW TO BE WITHHELD.

3 (b) "GARNISHMENT" MEANS ANY LEGAL OR EQUITABLE PROCEDURE
4 THROUGH WHICH THE EARNINGS OF AN INDIVIDUAL ARE REQUIRED TO BE
5 WITHHELD FOR PAYMENT OF A DEBT.

6 (2) THE MAXIMUM PART OF THE AGGREGATE DISPOSABLE
7 EARNINGS OF AN INDIVIDUAL FOR ANY WORK WEEK THAT IS SUBJECT TO
8 GARNISHMENT TO ENFORCE PAYMENT OF A JUDGMENT ARISING FROM A
9 CONSUMER CREDIT TRANSACTION MAY NOT EXCEED THE LESSER OF:

10 (a) TWENTY-FIVE PERCENT OF THE INDIVIDUAL'S DISPOSABLE
11 EARNINGS FOR THAT WEEK; OR

12 (b) THE AMOUNT BY WHICH THE INDIVIDUAL'S DISPOSABLE
13 EARNINGS FOR THAT WEEK EXCEED THIRTY TIMES THE FEDERAL MINIMUM
14 HOURLY WAGE PRESCRIBED BY SECTION 206 (a) (1) OF THE "FAIR LABOR
15 STANDARDS ACT OF 1938", 29 U.S.C. SEC. 201 ET SEC., IN EFFECT AT THE
16 TIME THE EARNINGS ARE PAYABLE.

17 (c) IN THE CASE OF EARNINGS FOR A PAY PERIOD OTHER THAN A
18 WEEK, THE ADMINISTRATOR MAY PRESCRIBE BY RULE A MULTIPLE OF THE
19 FEDERAL MINIMUM HOURLY WAGE EQUIVALENT IN EFFECT TO THAT SET
20 FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (2).

21 (3) NO COURT MAY MAKE, EXECUTE, OR ENFORCE AN ORDER OR
22 PROCESS IN VIOLATION OF THIS SECTION.

23 (4) IT SHALL NOT BE NECESSARY FOR ANY INDIVIDUAL TO CLAIM
24 THE EXEMPTIONS FOR THAT PORTION OF THE AGGREGATE DISPOSABLE
25 EARNINGS THAT ARE NOT SUBJECT TO GARNISHMENT AS SET FORTH IN
26 SUBSECTION (2) OF THIS SECTION, AND SUCH EXEMPTION FROM

1 GARNISHMENT SHALL BE SELF-EXECUTING IN ANY GARNISHMENT
2 PROCEDURE.

3 (5) THIS SECTION DOES NOT REPEAL, ALTER, OR AFFECT OTHER
4 STATUTES OF THIS STATE PROHIBITING GARNISHMENTS OR PROVIDING FOR
5 LARGER EXEMPTIONS FROM GARNISHMENTS THAN ARE ALLOWED UNDER
6 THIS SECTION.

7 **5-5-107. No discharge from employment for garnishment.** NO
8 EMPLOYER SHALL DISCHARGE AN EMPLOYEE FOR THE REASON THAT A
9 CREDITOR OF THE EMPLOYEE HAS SUBJECTED OR ATTEMPTED TO SUBJECT
10 UNPAID EARNINGS OF THE EMPLOYEE TO GARNISHMENT OR LIKE
11 PROCEEDINGS DIRECTED TO THE EMPLOYER FOR THE PURPOSE OF PAYING
12 A JUDGMENT ARISING FROM A CONSUMER CREDIT TRANSACTION.

13 **5-5-108. Extortionate extensions of credit.** (1) IF IT IS THE
14 UNDERSTANDING OF THE CREDITOR AND THE CONSUMER AT THE TIME AN
15 EXTENSION OF CREDIT IS MADE THAT DELAY IN MAKING REPAYMENT OR
16 FAILURE TO MAKE REPAYMENT COULD RESULT IN THE USE OF VIOLENCE OR
17 OTHER CRIMINAL MEANS TO CAUSE HARM TO THE PERSON, REPUTATION, OR
18 PROPERTY OF ANY PERSON, THE REPAYMENT OF THE EXTENSION OF CREDIT
19 IS UNENFORCEABLE THROUGH CIVIL JUDICIAL PROCESSES AGAINST THE
20 CONSUMER.

21 (2) IF IT IS SHOWN THAT AN EXTENSION OF CREDIT WAS MADE AT
22 AN ANNUAL PERCENTAGE RATE EXCEEDING FORTY-FIVE PERCENT
23 CALCULATED ACCORDING TO THE ACTUARIAL METHOD AND THAT THE
24 CREDITOR THEN HAD A REPUTATION FOR THE USE OR THREAT OF USE OF
25 VIOLENCE OR OTHER CRIMINAL MEANS TO CAUSE HARM TO THE PERSON,
26 REPUTATION, OR PROPERTY OF ANY PERSON TO COLLECT EXTENSIONS OF

1 CREDIT OR TO PUNISH THE NONPAYMENT THEREOF, THERE IS PRIMA FACIE
2 EVIDENCE THAT THE EXTENSION OF CREDIT WAS UNENFORCEABLE UNDER
3 SUBSECTION (1) OF THIS SECTION.

4 **5-5-109. Unconscionability - inducement by unconscionable**
5 **conduct - unconscionable debt collection.** (1) WITH RESPECT TO A
6 TRANSACTION THAT IS, GIVES RISE TO, OR LEADS THE CONSUMER TO
7 BELIEVE WILL GIVE RISE TO A CONSUMER CREDIT TRANSACTION, IF THE
8 COURT AS A MATTER OF LAW FINDS:

9 (a) THE AGREEMENT OR TRANSACTION TO HAVE BEEN
10 UNCONSCIONABLE AT THE TIME IT WAS MADE, OR TO HAVE BEEN INDUCED
11 BY UNCONSCIONABLE CONDUCT, THE COURT MAY REFUSE TO ENFORCE THE
12 AGREEMENT; OR

13 (b) ANY TERM OR PART OF THE AGREEMENT OR TRANSACTION TO
14 HAVE BEEN UNCONSCIONABLE AT THE TIME IT WAS MADE, THE COURT MAY
15 REFUSE TO ENFORCE THE AGREEMENT, ENFORCE THE REMAINDER OF THE
16 AGREEMENT WITHOUT THE UNCONSCIONABLE TERM OR PART, OR SO LIMIT
17 THE APPLICATION OF ANY UNCONSCIONABLE TERM OR PART AS TO AVOID
18 ANY UNCONSCIONABLE RESULT.

19 (2) WITH RESPECT TO A CONSUMER CREDIT TRANSACTION, IF THE
20 COURT AS A MATTER OF LAW FINDS THAT A PERSON HAS ENGAGED IN, IS
21 ENGAGING IN, OR IS LIKELY TO ENGAGE IN UNCONSCIONABLE CONDUCT IN
22 COLLECTING A DEBT ARISING FROM THAT TRANSACTION, THE COURT MAY
23 GRANT AN INJUNCTION AND AWARD THE CONSUMER ANY ACTUAL
24 DAMAGES THE CONSUMER HAS SUSTAINED.

25 (3) IF IT IS CLAIMED OR APPEARS TO THE COURT THAT THE
26 AGREEMENT OR TRANSACTION OR ANY TERM OR PART THEREOF MAY BE

1 UNCONSCIONABLE OR THAT A PERSON HAS ENGAGED IN, IS ENGAGING IN,
2 OR IS LIKELY TO ENGAGE IN UNCONSCIONABLE CONDUCT IN COLLECTING
3 A DEBT, THE PARTIES SHALL BE AFFORDED A REASONABLE OPPORTUNITY
4 TO PRESENT EVIDENCE AS TO THE SETTING, PURPOSE, AND EFFECT OF THE
5 AGREEMENT OR TRANSACTION OR TERM OR PART THEREOF OR OF THE
6 CONDUCT TO AID THE COURT IN MAKING THE DETERMINATION.

7 (4) IN APPLYING SUBSECTION (2) OF THIS SECTION, CONSIDERATION
8 SHALL BE GIVEN TO EACH OF THE FOLLOWING FACTORS, AMONG OTHERS,
9 AS APPLICABLE:

10 (a) USING OR THREATENING TO USE FORCE OR VIOLENCE AGAINST
11 THE CONSUMER OR MEMBERS OF THE CONSUMER'S FAMILY;

12 (b) COMMUNICATING WITH THE CONSUMER OR A MEMBER OF THE
13 CONSUMER'S FAMILY AT FREQUENT INTERVALS OR AT UNUSUAL HOURS OR
14 UNDER OTHER CIRCUMSTANCES SO THAT IT IS A REASONABLE INFERENCE
15 THAT THE PRIMARY PURPOSE OF THE COMMUNICATION WAS TO HARASS THE
16 CONSUMER;

17 (c) USING FRAUDULENT, DECEPTIVE, OR MISLEADING
18 REPRESENTATIONS SUCH AS A COMMUNICATION THAT SIMULATES LEGAL
19 PROCESS OR THAT GIVES THE APPEARANCE OF BEING AUTHORIZED, ISSUED,
20 OR APPROVED BY A GOVERNMENT, GOVERNMENTAL AGENCY, OR
21 ATTORNEY AT LAW WHEN IT IS NOT OR THREATENING OR ATTEMPTING TO
22 ENFORCE A RIGHT WITH KNOWLEDGE OR REASON TO KNOW THAT THE
23 RIGHT DOES NOT EXIST;

24 (d) CAUSING OR THREATENING TO CAUSE INJURY TO THE
25 CONSUMER'S REPUTATION OR ECONOMIC STATUS BY:

26 (I) DISCLOSING INFORMATION AFFECTING THE CONSUMER'S

1 REPUTATION FOR CREDIT WORTHINESS WITH KNOWLEDGE OR REASON TO
2 KNOW THAT THE INFORMATION IS FALSE;

3 (II) COMMUNICATING WITH THE CONSUMER'S EMPLOYER BEFORE
4 OBTAINING A FINAL JUDGMENT AGAINST THE DEBTOR, EXCEPT, AS
5 PERMITTED BY STATUTE, TO VERIFY THE CONSUMER'S EMPLOYMENT, TO
6 ASCERTAIN THE CONSUMER'S WHEREABOUTS, OR TO REQUEST THAT THE
7 CONSUMER CONTACT THE CREDITOR;

8 (III) DISCLOSING TO A PERSON, WITH KNOWLEDGE OR REASON TO
9 KNOW THAT THE PERSON DOES NOT HAVE A LEGITIMATE BUSINESS NEED
10 FOR THE INFORMATION, OR IN ANY WAY PROHIBITED BY STATUTE,
11 INFORMATION AFFECTING THE CONSUMER'S CREDIT OR OTHER
12 REPUTATION; OR

13 (IV) DISCLOSING INFORMATION CONCERNING THE EXISTENCE OF
14 A DEBT KNOWN TO BE DISPUTED BY THE CONSUMER WITHOUT DISCLOSING
15 THAT FACT;

16 (e) ENGAGING IN CONDUCT WITH KNOWLEDGE THAT LIKE CONDUCT
17 HAS BEEN RESTRAINED OR ENJOINED BY A COURT IN A CIVIL ACTION BY THE
18 ADMINISTRATOR AGAINST ANY PERSON PURSUANT TO THE PROVISIONS ON
19 INJUNCTIONS AGAINST FRAUDULENT OR UNCONSCIONABLE AGREEMENTS
20 OR CONDUCT CONTAINED IN SECTION 5-6-112.

21 (5) IF, IN AN ACTION IN WHICH UNCONSCIONABILITY IS CLAIMED,
22 THE COURT FINDS UNCONSCIONABILITY PURSUANT TO SUBSECTION (1) OR
23 (2) OF THIS SECTION, THE COURT MAY AWARD REASONABLE FEES TO THE
24 ATTORNEY FOR THE CONSUMER. IF THE COURT DOES NOT FIND
25 UNCONSCIONABILITY AND THE CONSUMER CLAIMING UNCONSCIONABILITY
26 HAS BROUGHT OR MAINTAINED AN ACTION THE CONSUMER KNEW TO BE

1 GROUNDLESS, THE COURT MAY AWARD REASONABLE FEES TO THE
2 ATTORNEY FOR THE PARTY AGAINST WHOM THE CLAIM IS MADE. IN
3 DETERMINING ATTORNEY FEES, THE AMOUNT OF THE RECOVERY ON
4 BEHALF OF THE CONSUMER IS NOT CONTROLLING.

5 (6) THE REMEDIES OF THIS SECTION ARE IN ADDITION TO REMEDIES
6 OTHERWISE AVAILABLE FOR THE SAME CONDUCT UNDER LAWS OTHER
7 THAN THIS CODE, BUT DOUBLE RECOVERY OF ACTUAL DAMAGES MAY NOT
8 BE HAD.

9 (7) FOR THE PURPOSE OF THIS SECTION, A CHARGE OR PRACTICE
10 EXPRESSLY PERMITTED BY THIS CODE IS NOT IN ITSELF UNCONSCIONABLE.

11 **5-5-110. Notice of right to cure.** (1) WITH RESPECT TO A
12 CONSUMER CREDIT TRANSACTION, AFTER A CONSUMER HAS BEEN IN
13 DEFAULT FOR TEN DAYS FOR FAILURE TO MAKE A REQUIRED PAYMENT AND
14 HAS NOT VOLUNTARILY SURRENDERED POSSESSION OF GOODS OR THE
15 MOBILE HOME THAT ARE COLLATERAL, A CREDITOR MAY GIVE THE
16 CONSUMER THE NOTICE DESCRIBED IN THIS SECTION. A CREDITOR GIVES
17 NOTICE TO THE CONSUMER PURSUANT TO THIS SECTION WHEN THE
18 CREDITOR DELIVERS THE NOTICE TO THE CONSUMER OR MAILES THE NOTICE
19 TO THE CONSUMER AT THE CONSUMER'S RESIDENCE, AS DEFINED IN
20 SECTION 5-1-201 (6).

21 (2) EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION, THE
22 NOTICE SHALL BE IN WRITING AND CONSPICUOUSLY STATE: THE NAME,
23 ADDRESS, AND TELEPHONE NUMBER OF THE CREDITOR TO WHICH PAYMENT
24 IS TO BE MADE, A BRIEF IDENTIFICATION OF THE CREDIT TRANSACTION, THE
25 RIGHT TO CURE THE DEFAULT, AND THE AMOUNT OF PAYMENT AND DATE
26 BY WHICH PAYMENT MUST BE MADE TO CURE THE DEFAULT. A NOTICE IN

1 SUBSTANTIALLY THE FOLLOWING FORM COMPLIES WITH THIS SUBSECTION
2 (2):

3 " (NAME, ADDRESS, AND TELEPHONE NUMBER OF CREDITOR)
4 (ACCOUNT NUMBER, IF ANY)
5 (BRIEF IDENTIFICATION OF CREDIT TRANSACTION)
6 (DATE) IS THE LAST DATE FOR PAYMENT.
7 (AMOUNT) IS THE AMOUNT NOW DUE.

8 YOU ARE LATE IN MAKING YOUR PAYMENT(S). IF YOU PAY THE AMOUNT
9 NOW DUE (ABOVE) BY THE LAST DAY FOR PAYMENT (ABOVE), YOU
10 MAY CONTINUE WITH THE CONTRACT AS THOUGH YOU WERE NOT LATE. IF
11 YOU DO NOT PAY BY THIS DATE, WE MAY EXERCISE OUR RIGHTS UNDER THE
12 LAW.

13 IF YOU ARE LATE AGAIN IN MAKING YOUR PAYMENTS, WE MAY EXERCISE
14 OUR RIGHTS WITHOUT SENDING YOU ANOTHER NOTICE LIKE THIS ONE. IF
15 YOU HAVE QUESTIONS, WRITE OR TELEPHONE THE CREDITOR PROMPTLY."

16 (3) IF THE CONSUMER CREDIT TRANSACTION IS A CONSUMER
17 INSURANCE PREMIUM LOAN, THE NOTICE SHALL CONFORM TO THE
18 REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION, AND A NOTICE IN
19 SUBSTANTIALLY THE FORM SPECIFIED IN SUBSECTION (2) OF THIS SECTION
20 SHALL BE DEEMED COMPLIANCE WITH THIS SUBSECTION (3) EXCEPT FOR
21 THE FOLLOWING:

22 (a) IN LIEU OF A BRIEF IDENTIFICATION OF THE CREDIT

1 TRANSACTION, THE NOTICE SHALL IDENTIFY THE TRANSACTION AS A
2 CONSUMER INSURANCE PREMIUM LOAN AND SHALL IDENTIFY EACH POLICY
3 OR CONTRACT THAT MAY BE CANCELED;

4 (b) IN LIEU OF THE STATEMENT IN THE FORM OF NOTICE SPECIFIED
5 IN SUBSECTION (2) OF THIS SECTION THAT THE CREDITOR MAY EXERCISE ITS
6 RIGHTS UNDER LAW, A STATEMENT SHALL BE INCLUDED THAT EACH POLICY
7 OR CONTRACT IDENTIFIED IN THE NOTICE MAY BE CANCELED; AND

8 (c) THE LAST PARAGRAPH OF THE FORM OF NOTICE SPECIFIED IN
9 SUBSECTION (2) OF THIS SECTION SHALL BE OMITTED.

10 (4) A NOTICE OF RIGHT TO CURE DELIVERED OR MAILED TO A
11 COSIGNER PURSUANT TO THIS SECTION SHALL BE MODIFIED TO STATE THAT
12 THE CONSUMER IS LATE IN MAKING HIS OR HER PAYMENT, INCLUDE THE
13 CONSUMER'S NAME, AND THAT IF THE AMOUNT NOW DUE IS NOT PAID BY
14 THE LAST DATE FOR PAYMENT, THE CREDITOR MAY EXERCISE ITS RIGHTS
15 AGAINST THE CONSUMER, COSIGNER, OR BOTH.

16 **5-5-111. Cure of default.** (1) WITH RESPECT TO A CONSUMER
17 CREDIT TRANSACTION, EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS
18 SECTION, AFTER A DEFAULT CONSISTING ONLY OF THE CONSUMER'S
19 FAILURE TO MAKE A REQUIRED PAYMENT, A CREDITOR, BECAUSE OF THAT
20 DEFAULT, MAY NEITHER ACCELERATE MATURITY OF THE UNPAID BALANCE
21 OF THE OBLIGATION NOR TAKE POSSESSION OF OR OTHERWISE ENFORCE A
22 SECURITY INTEREST IN THE GOODS OR THE MOBILE HOME THAT ARE
23 COLLATERAL UNTIL TWENTY DAYS AFTER GIVING THE CONSUMER A NOTICE
24 OF RIGHT TO CURE DESCRIBED IN SECTION 5-5-110. UNTIL THE EXPIRATION
25 OF THE MINIMUM APPLICABLE PERIOD AFTER THE NOTICE IS GIVEN, ALL
26 DEFAULTS CONSISTING OF A FAILURE TO MAKE THE REQUIRED PAYMENT

1 MAY BE CURED BY TENDERING TO THE CREDITOR THE AMOUNT OF ALL
2 UNPAID SUMS DUE AT THE TIME OF THE TENDER, WITHOUT ACCELERATION,
3 PLUS ANY UNPAID DELINQUENCY OR DEFERRAL CHARGES. CURE RESTORES
4 THE CONSUMER TO HIS OR HER RIGHTS UNDER THE AGREEMENT AS THOUGH
5 THE DEFAULTS HAD NOT OCCURRED.

6 (2) WITH RESPECT TO DEFAULTS ON THE SAME OBLIGATION, OTHER
7 THAN DEFAULTS ON AN OBLIGATION SECURED BY A MOBILE HOME, AFTER
8 A CREDITOR HAS ONCE GIVEN THE CONSUMER A NOTICE OF RIGHT TO CURE
9 DESCRIBED IN SECTION 5-5-110, THIS SECTION GIVES NO RIGHT TO CURE
10 AND IMPOSES NO LIMITATION ON THE CREDITOR'S RIGHT TO PROCEED
11 AGAINST THE CONSUMER OR GOODS THAT ARE COLLATERAL WITH RESPECT
12 TO ANY SUBSEQUENT DEFAULT THAT OCCURS WITHIN TWELVE MONTHS OF
13 SUCH NOTICE. WITH RESPECT TO DEFAULTS ON THE SAME OBLIGATION
14 THAT IS SECURED BY A MOBILE HOME, THIS SECTION GIVES NO RIGHT TO
15 CURE AND IMPOSES NO LIMITATION ON THE CREDITOR'S RIGHT TO PROCEED
16 AGAINST THE CONSUMER OR GOODS THAT ARE COLLATERAL WITH RESPECT
17 TO ANY THIRD DEFAULT THAT OCCURS WITHIN TWELVE MONTHS OF SUCH
18 NOTICE. FOR THE PURPOSE OF THIS SECTION, IN CONNECTION WITH
19 REVOLVING CREDIT ACCOUNTS, THE OBLIGATION IS THE CONSUMER'S
20 ACCOUNT, AND THERE IS NO RIGHT TO CURE AND NO LIMITATION ON THE
21 CREDITOR'S RIGHTS WITH RESPECT TO ANY DEFAULT THAT OCCURS WITHIN
22 TWELVE MONTHS AFTER AN EARLIER DEFAULT AS TO WHICH A CREDITOR
23 HAS GIVEN THE CONSUMER NOTICE OF RIGHT TO CURE.

24 (3) UNLESS A CREDITOR HAS PROVIDED THE COSIGNOR ON A
25 CONSUMER CREDIT TRANSACTION WITH A NOTICE OF RIGHT TO CURE THAT
26 COMPLIES WITH SECTION 5-5-110 AND THIS SECTION, IN ADDITION TO THE

1 NOTICE OF RIGHT TO CURE PROVIDED TO THE CONSUMER, THE CREDITOR
2 MAY NEITHER ACCELERATE MATURITY OF THE UNPAID BALANCE OF THE
3 OBLIGATION AS TO THE COSIGNOR NOR REPORT THAT AMOUNT ON THE
4 COSIGNOR'S CONSUMER REPORT WITH A CONSUMER REPORTING AGENCY
5 AS DEFINED IN SECTION 12-14.3-102, C.R.S., AND 15 U.S.C. SEC. 1681a.

6 (4) THIS SECTION AND THE PROVISIONS ON WAIVER, AGREEMENTS
7 TO FOREGO RIGHTS, AND SETTLEMENT OF CLAIMS DO NOT PROHIBIT A
8 CONSUMER FROM VOLUNTARILY SURRENDERING POSSESSION OF GOODS
9 THAT ARE COLLATERAL AND THE CREDITOR FROM THEREAFTER ENFORCING
10 ITS SECURITY INTEREST IN THE GOODS AT ANY TIME AFTER DEFAULT.

11 (5) THIS SECTION SHALL NOT APPLY TO CONSUMER CREDIT
12 TRANSACTIONS THAT ARE PAYABLE IN FOUR OR FEWER INSTALLMENTS.

13 **5-5-112. Attorney fees.** (1) WITH RESPECT TO A CONSUMER
14 CREDIT TRANSACTION, THE AGREEMENT MAY PROVIDE FOR THE PAYMENT
15 BY THE CONSUMER OF REASONABLE ATTORNEY FEES NOT IN EXCESS OF
16 FIFTEEN PERCENT OF THE UNPAID DEBT AFTER DEFAULT AND REFERRAL TO
17 AN ATTORNEY NOT A SALARIED EMPLOYEE OF THE CREDITOR OR SUCH
18 ADDITIONAL FEE AS MAY BE DIRECTED BY THE COURT. A PROVISION IN
19 VIOLATION OF THIS SECTION IS UNENFORCEABLE.

20 (2) THIS SECTION DOES NOT AUTHORIZE THE IMPOSITION OF
21 ATTORNEY FEES FOR PREPARATION OF A NOTICE OF RIGHT TO CURE IF THE
22 CONSUMER CURES THE DEFAULT PURSUANT TO SECTIONS 5-5-110 AND
23 5-5-111.

24 PART 2

25 CONSUMERS' REMEDIES

26 **5-5-201. Effect of violations on rights of parties.** (1) IF A

1 CREDITOR HAS VIOLATED THE PROVISIONS OF THIS CODE APPLYING TO
2 LIMITATIONS ON THE SCHEDULE OF PAYMENTS OR LOAN TERM FOR
3 SUPERVISED LOANS CONTAINED IN SECTION 5-2-308 OR AUTHORITY TO
4 MAKE SUPERVISED LOANS CONTAINED IN SECTION 5-2-301, THE CONSUMER
5 IS NOT OBLIGATED TO PAY THE FINANCE CHARGE AND HAS A RIGHT TO
6 RECOVER FROM THE PERSON VIOLATING THIS CODE OR FROM AN ASSIGNEE
7 OF THAT PERSON'S RIGHTS WHO UNDERTAKES DIRECT COLLECTION OF
8 PAYMENTS OR ENFORCEMENT OF RIGHTS ARISING FROM THE DEBT A
9 PENALTY IN AN AMOUNT DETERMINED BY THE COURT NOT IN EXCESS OF
10 THREE TIMES THE AMOUNT OF THE FINANCE CHARGE. WITH RESPECT TO
11 VIOLATIONS ARISING FROM CONSUMER CREDIT TRANSACTIONS MADE
12 PURSUANT TO REVOLVING CREDIT ACCOUNTS, NO ACTION PURSUANT TO
13 THIS SUBSECTION (1) MAY BE BROUGHT MORE THAN TWO YEARS AFTER THE
14 VIOLATION OCCURRED. WITH RESPECT TO VIOLATIONS ARISING FROM
15 OTHER CONSUMER CREDIT TRANSACTIONS, NO ACTION PURSUANT TO THIS
16 SUBSECTION (1) MAY BE BROUGHT MORE THAN ONE YEAR AFTER THE DUE
17 DATE OF THE LAST SCHEDULED PAYMENT OF THE AGREEMENT WITH
18 RESPECT TO WHICH THE VIOLATION OCCURRED.

19 (2) A CONSUMER IS NOT OBLIGATED TO PAY A CHARGE IN EXCESS
20 OF THAT ALLOWED BY THIS CODE, AND IF A CONSUMER HAS PAID AN
21 EXCESS CHARGE HE OR SHE HAS A RIGHT TO A REFUND. A REFUND MAY BE
22 MADE BY REDUCING THE CONSUMER'S OBLIGATION BY THE AMOUNT OF
23 THE EXCESS CHARGE. IF THE CONSUMER HAS PAID AN AMOUNT IN EXCESS
24 OF THE LAWFUL OBLIGATION UNDER THE AGREEMENT, THE CONSUMER MAY
25 RECOVER THE EXCESS AMOUNT FROM THE PERSON WHO MADE THE EXCESS
26 CHARGE OR FROM AN ASSIGNEE OF THAT PERSON'S RIGHTS WHO

1 UNDERTAKES DIRECT COLLECTION OF PAYMENTS FROM OR ENFORCEMENT
2 OF RIGHTS AGAINST CONSUMERS ARISING FROM THE DEBT.

3 (3) IF A CONSUMER IS ENTITLED TO A REFUND AND A PERSON
4 LIABLE TO THE CONSUMER REFUSES TO MAKE A REFUND WITHIN A
5 REASONABLE TIME AFTER DEMAND, THE CONSUMER MAY RECOVER FROM
6 THAT PERSON A PENALTY IN AN AMOUNT DETERMINED BY A COURT NOT
7 EXCEEDING THE GREATER OF EITHER THE AMOUNT OF THE FINANCE
8 CHARGE OR TEN TIMES THE AMOUNT OF THE EXCESS CHARGE. IF THE
9 CREDITOR HAS MADE AN EXCESS CHARGE IN DELIBERATE VIOLATION OF OR
10 IN RECKLESS DISREGARD FOR THIS CODE, THE PENALTY MAY BE
11 RECOVERED EVEN THOUGH THE CREDITOR HAS REFUNDED THE EXCESS
12 CHARGE. NO PENALTY PURSUANT TO THIS SUBSECTION (3) MAY BE
13 RECOVERED IF A COURT HAS ORDERED A SIMILAR PENALTY ASSESSED
14 AGAINST THE SAME PERSON IN A CIVIL ACTION BY THE ADMINISTRATOR
15 DESCRIBED IN SECTION 5-6-114. WITH RESPECT TO EXCESS CHARGES
16 ARISING FROM REVOLVING CREDIT ACCOUNTS, NO ACTION PURSUANT TO
17 THIS SUBSECTION (3) MAY BE BROUGHT MORE THAN TWO YEARS AFTER THE
18 TIME THE EXCESS CHARGE WAS MADE. WITH RESPECT TO EXCESS CHARGES
19 ARISING FROM OTHER CONSUMER CREDIT TRANSACTIONS, NO ACTION
20 PURSUANT TO THIS SUBSECTION (3) MAY BE BROUGHT MORE THAN ONE
21 YEAR AFTER THE DUE DATE OF THE LAST SCHEDULED PAYMENT OF THE
22 AGREEMENT PURSUANT TO WHICH THE CHARGE WAS MADE.

23 (4) EXCEPT AS OTHERWISE PROVIDED, NO VIOLATION OF THIS CODE
24 IMPAIRS RIGHTS ON A DEBT.

25 (5) IF AN EMPLOYER DISCHARGES AN EMPLOYEE IN VIOLATION OF
26 THE PROVISIONS PROHIBITING DISCHARGE CONTAINED IN SECTION 5-5-107,

1 THE EMPLOYEE MAY WITHIN NINETY DAYS BRING A CIVIL ACTION FOR
2 RECOVERY OF WAGES LOST AS A RESULT OF THE VIOLATION AND FOR AN
3 ORDER REQUIRING THE REINSTATEMENT OF THE EMPLOYEE. DAMAGES
4 RECOVERABLE SHALL NOT EXCEED LOST WAGES FOR SIX WEEKS.

5 (6) IF THE CREDITOR ESTABLISHES BY A PREPONDERANCE OF
6 EVIDENCE THAT A VIOLATION IS UNINTENTIONAL OR THE RESULT OF A
7 BONA FIDE ERROR, NOTWITHSTANDING THE MAINTENANCE OF PROCEDURES
8 REASONABLY ADOPTED TO AVOID THE ERROR, NO LIABILITY IS IMPOSED
9 UNDER SUBSECTIONS (1) AND (3) OF THIS SECTION, AND THE VALIDITY OF
10 THE TRANSACTION IS NOT AFFECTED.

11 (7) IN ANY CASE IN WHICH IT IS FOUND THAT A CREDITOR HAS
12 VIOLATED THIS CODE, THE COURT MAY AWARD REASONABLE ATTORNEY
13 FEES INCURRED BY THE CONSUMER.

14 (8) IF A CREDITOR REPEATEDLY FAILS TO PROVIDE A CONSUMER
15 WITH A STATEMENT OF AN ANNUAL PERCENTAGE RATE OR FINANCE
16 CHARGE AS AND TO THE EXTENT REQUIRED BY THE PROVISIONS ON
17 DISCLOSURE CONTAINED IN SECTION 5-3-101 OF THIS CODE AND HAS
18 RECEIVED WRITTEN NOTICE FROM THE ADMINISTRATOR OF SUCH REPEATED
19 FAILURE, ANY SUCH SUBSEQUENT FAILURE BY THE CREDITOR SHALL
20 RELIEVE ANY CONSUMER RECEIVING SUCH DEFECTIVE DISCLOSURE FROM
21 ANY OBLIGATION TO PAY ANY FINANCE CHARGE IN CONNECTION WITH
22 SUCH CONSUMER CREDIT TRANSACTION.

23 **5-5-202. Civil liability for violation of disclosure provisions.**

24 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A CREDITOR WHO,
25 IN VIOLATION OF THE PROVISIONS ON DISCLOSURE CONTAINED IN SECTION
26 5-3-101, OTHER THAN THE PROVISIONS ON ADVERTISING, FAILS TO

1 DISCLOSE INFORMATION TO A PERSON ENTITLED TO THE INFORMATION
2 UNDER THIS CODE IS LIABLE TO THAT PERSON IN AN AMOUNT EQUAL TO THE
3 SUM OF:

4 (a) TWICE THE AMOUNT OF THE FINANCE CHARGE IN CONNECTION
5 WITH THE TRANSACTION, BUT THE LIABILITY PURSUANT TO THIS
6 PARAGRAPH (a) SHALL BE NOT LESS THAN ONE HUNDRED DOLLARS NOR
7 MORE THAN ONE THOUSAND DOLLARS; AND

8 (b) IN THE CASE OF A SUCCESSFUL ACTION TO ENFORCE THE
9 LIABILITY UNDER PARAGRAPH (a) OF THIS SUBSECTION (1), THE COSTS OF
10 THE ACTION TOGETHER WITH REASONABLE ATTORNEY FEES AS
11 DETERMINED BY THE COURT.

12 (2) A CREDITOR HAS NO LIABILITY UNDER THIS SECTION IF, WITHIN
13 SIXTY DAYS AFTER DISCOVERING AN ERROR AND PRIOR TO THE
14 INSTITUTION OF AN ACTION UNDER THIS SECTION OR THE RECEIPT OF
15 WRITTEN NOTICE OF THE ERROR, THE CREDITOR NOTIFIES THE PERSON
16 CONCERNED OF THE ERROR AND MAKES WHATEVER ADJUSTMENTS IN THE
17 APPROPRIATE ACCOUNT ARE NECESSARY TO ASSURE THAT THE PERSON
18 WILL NOT BE REQUIRED TO PAY A FINANCE CHARGE IN EXCESS OF THE
19 AMOUNT OR PERCENTAGE RATE ACTUALLY DISCLOSED.

20 (3) A CREDITOR MAY NOT BE HELD LIABLE IN ANY ACTION
21 BROUGHT UNDER THIS SECTION FOR A VIOLATION OF THIS CODE IF THE
22 CREDITOR SHOWS BY A PREPONDERANCE OF EVIDENCE THAT THE
23 VIOLATION WAS NOT INTENTIONAL AND RESULTED FROM A BONA FIDE
24 ERROR NOTWITHSTANDING THE MAINTENANCE OF PROCEDURES
25 REASONABLY ADAPTED TO AVOID THE ERROR.

26 (4) ANY ACTION THAT MAY BE BROUGHT UNDER THIS SECTION

1 AGAINST THE ORIGINAL CREDITOR IN ANY CREDIT TRANSACTION
2 INVOLVING A SECURITY INTEREST IN LAND MAY BE MAINTAINED AGAINST
3 ANY SUBSEQUENT ASSIGNEE OF THE ORIGINAL CREDITOR WHERE THE
4 ASSIGNEE, ITS SUBSIDIARIES, OR AFFILIATES WERE IN A CONTINUING
5 BUSINESS RELATIONSHIP WITH THE ORIGINAL CREDITOR EITHER AT THE
6 TIME THE CREDIT WAS EXTENDED OR AT THE TIME OF THE ASSIGNMENT
7 UNLESS THE ASSIGNMENT WAS INVOLUNTARY OR THE ASSIGNEE SHOWS BY
8 A PREPONDERANCE OF EVIDENCE THAT IT DID NOT HAVE REASONABLE
9 GROUNDS TO BELIEVE THAT THE ORIGINAL CREDITOR WAS ENGAGED IN
10 VIOLATIONS OF THIS CODE AND THAT IT MAINTAINED PROCEDURES
11 REASONABLY ADAPTED TO APPRISE IT OF THE EXISTENCE OF THE
12 VIOLATIONS.

13 (5) NO ACTION PURSUANT TO THIS SECTION MAY BE BROUGHT
14 MORE THAN ONE YEAR AFTER THE DATE OF THE OCCURRENCE OF THE
15 VIOLATION.

16 (6) IN THIS SECTION, CREDITOR INCLUDES A PERSON WHO IN THE
17 ORDINARY COURSE OF BUSINESS REGULARLY EXTENDS OR ARRANGES FOR
18 THE EXTENSION OF CREDIT OR OFFERS TO ARRANGE FOR THE EXTENSION OF
19 CREDIT.

20 (7) NO PROVISION OF THIS SECTION OR SECTION 5-5-201 IMPOSING
21 ANY LIABILITY SHALL APPLY TO ANY ACT DONE OR OMITTED IN GOOD FAITH
22 IN CONFORMITY WITH ANY RULE, REGULATION, INTERPRETATION, OR
23 WRITTEN RESPONSE TO A PERSON PURSUANT TO A WRITTEN REQUEST ON
24 BEHALF OF SUCH IDENTIFIED PERSON BY THE ADMINISTRATOR OR THE
25 BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM PURSUANT TO
26 THE FEDERAL "TRUTH IN LENDING ACT" OR FEDERAL "CONSUMER

1 LEASING ACT", NOTWITHSTANDING THAT, AFTER SUCH ACT OR OMISSION
2 HAS OCCURRED, SUCH RULE, REGULATION, INTERPRETATION, OR WRITTEN
3 RESPONSE IS AMENDED, RESCINDED, OR DETERMINED BY JUDICIAL OR
4 OTHER AUTHORITY TO BE INVALID FOR ANY REASON.

5 (8) THE MULTIPLE FAILURE TO DISCLOSE TO ANY PERSON ANY
6 INFORMATION REQUIRED UNDER THIS CODE TO BE DISCLOSED IN
7 CONNECTION WITH A SINGLE ACCOUNT UNDER A REVOLVING CREDIT
8 ACCOUNT, OTHER SINGLE CONSUMER CREDIT SALE, CONSUMER LOAN, OR
9 OTHER EXTENSION OF CONSUMER CREDIT SHALL ENTITLE THE PERSON TO
10 A SINGLE RECOVERY UNDER THIS SECTION, BUT CONTINUED FAILURE TO
11 DISCLOSE AFTER RECOVERY HAS BEEN GRANTED SHALL GIVE RISE TO
12 RIGHTS TO ADDITIONAL RECOVERIES.

13 **5-5-203. Consumer's right to rescind certain transactions.** IN
14 THE CASE OF A CONSUMER CREDIT TRANSACTION WITH RESPECT TO WHICH
15 A SECURITY INTEREST IS RETAINED OR ACQUIRED IN ANY PROPERTY THAT
16 IS USED AS THE DWELLING OF THE PERSON TO WHOM CREDIT IS EXTENDED,
17 THE CONSUMER SHALL HAVE THE SAME RIGHT TO RESCIND THE
18 TRANSACTION AS PROVIDED IN THE FEDERAL "TRUTH IN LENDING ACT"
19 AND REGULATIONS THEREUNDER. IN ORDER TO COMPLY WITH THIS CODE,
20 A CREDITOR SHALL COMPLY WITH THOSE PROVISIONS ON THE RIGHT OF
21 RECISSION OF CERTAIN TRANSACTIONS.

22 **5-5-204. Interests in land.** FOR PURPOSES OF THE PROVISIONS ON
23 CIVIL LIABILITY FOR VIOLATION OF THE DISCLOSURE PROVISIONS
24 CONTAINED IN SECTION 5-5-202 AND ON A CONSUMER'S RIGHT TO RESCIND
25 CERTAIN TRANSACTIONS CONTAINED IN SECTION 5-5-203, "CONSUMER
26 CREDIT TRANSACTION" INCLUDES A TRANSACTION PRIMARILY SECURED BY

1 AN INTEREST IN LAND WITHOUT REGARD TO THE RATE OF THE FINANCE
2 CHARGE IF THE TRANSACTION IS OTHERWISE A CONSUMER CREDIT
3 TRANSACTION.

4 **5-5-205. Refunds and penalties as set-off to**
5 **obligation.** REFUNDS OR PENALTIES TO WHICH THE CONSUMER IS
6 ENTITLED PURSUANT TO THIS PART 2 MAY BE SET OFF AGAINST THE
7 CONSUMER OBLIGATION AND MAY BE RAISED AS A DEFENSE TO A SUIT ON
8 THE OBLIGATION WITHOUT REGARD TO THE TIME LIMITATIONS PRESCRIBED
9 BY SAID SECTIONS.

10 **5-5-206. Civil liability for discrimination.** IF A PERSON HAS
11 FAILED TO COMPLY WITH SECTION 5-3-210, THE PERSON AGGRIEVED BY
12 SUCH FAILURE TO COMPLY HAS A RIGHT TO RECOVER ACTUAL DAMAGES
13 FROM SUCH PERSON BUT IN NO EVENT LESS THAN ONE HUNDRED DOLLARS
14 FOR ACTUAL AND EXEMPLARY DAMAGES NOR MORE THAN ONE THOUSAND
15 DOLLARS FOR ACTUAL AND EXEMPLARY DAMAGES. IN THE CASE OF A
16 SUCCESSFUL ACTION TO ENFORCE SUCH RIGHT OF RECOVERY, THE
17 AGGRIEVED PERSON SHALL RECOVER THE COSTS OF THE ACTION TOGETHER
18 WITH REASONABLE ATTORNEY FEES AS DETERMINED BY THE COURT.

19 PART 3

20 CRIMINAL PENALTIES

21 **5-5-301. Willful violations.** (1) A SUPERVISED LENDER WHO
22 WILLFULLY MAKES CHARGES IN EXCESS OF THOSE PERMITTED BY THE
23 PROVISIONS OF THIS CODE IS GUILTY OF A MISDEMEANOR AND, UPON
24 CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN
25 FIVE THOUSAND DOLLARS, OR BY IMPRISONMENT IN THE COUNTY JAIL FOR
26 NOT MORE THAN ONE YEAR, OR BY BOTH SUCH FINE AND IMPRISONMENT.

1 (2) A PERSON, OTHER THAN A SUPERVISED FINANCIAL
2 ORGANIZATION, WHO WILLFULLY ENGAGES IN THE BUSINESS OF MAKING
3 SUPERVISED LOANS WITHOUT A LICENSE IN VIOLATION OF THE PROVISIONS
4 OF THIS CODE APPLYING TO THE AUTHORITY TO MAKE SUPERVISED LOANS
5 DESCRIBED IN SECTION 5-2-301 IS GUILTY OF A MISDEMEANOR AND, UPON
6 CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN
7 FIVE THOUSAND DOLLARS, OR BY IMPRISONMENT IN THE COUNTY JAIL FOR
8 NOT MORE THAN ONE YEAR, OR BY BOTH SUCH FINE AND IMPRISONMENT.

9 (3) A PERSON WHO WILLFULLY ENGAGES IN THE BUSINESS OF
10 MAKING CONSUMER CREDIT TRANSACTIONS OR OF TAKING ASSIGNMENTS
11 OF RIGHTS AGAINST CONSUMERS ARISING THEREFROM AND UNDERTAKES
12 DIRECT COLLECTION OF PAYMENTS OR ENFORCEMENT OF THESE RIGHTS
13 WITHOUT COMPLYING WITH THE PROVISIONS OF THIS CODE CONCERNING
14 NOTIFICATION CONTAINED IN SECTION 5-6-202 OR PAYMENT OF FEES
15 CONTAINED IN SECTION 5-6-203 IS GUILTY OF A MISDEMEANOR AND, UPON
16 CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN
17 ONE THOUSAND DOLLARS.

18 (4) ANY PERSON WHO VIOLATES THE PROVISIONS OF THIS SECTION
19 AND BY THE SAME ACT OR ACTS VIOLATES THE PROVISIONS OF SECTION
20 18-15-104 OR 18-15-107, C.R.S., OR BOTH, SHALL BE PROSECUTED FOR
21 THE VIOLATION OF EITHER OR BOTH OF SAID SECTIONS AND NOT FOR A
22 VIOLATION OF THIS SECTION.

23 **5-5-302. Disclosure violations.** (1) A PERSON IS GUILTY OF A
24 MISDEMEANOR, AND UPON CONVICTION THEREOF, SHALL BE PUNISHED BY
25 A FINE OF NOT MORE THAN FIVE THOUSAND DOLLARS, OR BY
26 IMPRISONMENT IN THE COUNTY JAIL FOR NOT MORE THAN ONE YEAR, OR BY

1 BOTH SUCH FINE AND IMPRISONMENT IF SUCH PERSON WILLFULLY AND
2 KNOWINGLY:

3 (a) GIVES FALSE OR INACCURATE INFORMATION OR FAILS TO
4 PROVIDE INFORMATION THAT SUCH PERSON IS REQUIRED TO DISCLOSE
5 UNDER THE PROVISIONS OF THIS CODE ON DISCLOSURE AND ADVERTISING
6 OR OF ANY RELATED RULE OF THE ADMINISTRATOR ADOPTED PURSUANT TO
7 THIS CODE;

8 (b) USES ANY RATE TABLE OR CHART IN A MANNER WHICH
9 CONSISTENTLY UNDERSTATES THE ANNUAL PERCENTAGE RATE
10 DETERMINED ACCORDING TO THOSE PROVISIONS; OR

11 (c) OTHERWISE FAILS TO COMPLY WITH ANY REQUIREMENT OF THE
12 PROVISIONS OF THIS CODE ON DISCLOSURE AND ADVERTISING OR OF ANY
13 RELATED RULE OF THE ADMINISTRATOR ADOPTED PURSUANT TO THIS CODE.

14 **ARTICLE 6**

15 **Administration**

16 **PART 1**

17 **POWERS AND FUNCTIONS OF ADMINISTRATOR**

18 **5-6-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY BE
19 CITED AS "UNIFORM CONSUMER CREDIT CODE - ADMINISTRATION".

20 **5-6-102. Applicability.** (1) THIS PART 1 APPLIES TO PERSONS
21 WHO IN THIS STATE:

22 (a) MAKE OR SOLICIT CONSUMER CREDIT TRANSACTIONS; OR

23 (b) DIRECTLY COLLECT PAYMENTS FROM OR ENFORCE RIGHTS
24 AGAINST CONSUMERS ARISING FROM SALES, LEASES, OR LOANS SPECIFIED
25 IN PARAGRAPH (a) OF THIS SUBSECTION (1) WHEREVER THEY ARE MADE.

26 **5-6-103. Definitions - "administrator".** "ADMINISTRATOR"

1 MEANS THE ASSISTANT ATTORNEY GENERAL TO BE DESIGNATED BY THE
2 ATTORNEY GENERAL. ANY DISTRICT ATTORNEY MAY, WITH THE CONSENT
3 OF THE ADMINISTRATOR, EXERCISE THE POWERS AND PERFORM THE DUTIES
4 OF THE ADMINISTRATOR AS PROVIDED IN SECTION 5-6-104 (1) (a) AND (1)
5 (b) AND SECTIONS 5-6-105 TO 5-6-116.

6 **5-6-104. Powers of administrator - harmony with federal**
7 **regulations - reliance on rules.** (1) IN ADDITION TO OTHER POWERS
8 GRANTED BY THIS CODE, THE ADMINISTRATOR, WITHIN THE LIMITATIONS
9 PROVIDED BY LAW, MAY:

10 (a) RECEIVE AND ACT ON COMPLAINTS, TAKE ACTION DESIGNED TO
11 OBTAIN VOLUNTARY COMPLIANCE WITH THIS CODE, OR COMMENCE
12 PROCEEDINGS ON HIS OR HER OWN INITIATIVE;

13 (b) COUNSEL PERSONS AND GROUPS ON THEIR RIGHTS AND DUTIES
14 UNDER THIS CODE;

15 (c) ESTABLISH PROGRAMS FOR THE EDUCATION OF CONSUMERS
16 WITH RESPECT TO CREDIT PRACTICES AND PROBLEMS;

17 (d) MAKE STUDIES APPROPRIATE TO EFFECTUATE THE PURPOSES
18 AND POLICIES OF THIS CODE AND MAKE THE RESULTS AVAILABLE TO THE
19 PUBLIC;

20 (e) WITH APPROVAL OF THE COUNCIL OF ADVISORS ON CONSUMER
21 CREDIT SUBCOMMITTEE, ADOPT, AMEND, AND REPEAL SUBSTANTIVE RULES
22 AND REGULATIONS TO CARRY OUT THE SPECIFIC PROVISIONS OF THIS CODE,
23 BUT NOT WITH RESPECT TO UNCONSCIONABLE AGREEMENTS OR
24 FRAUDULENT OR UNCONSCIONABLE CONDUCT, AND ADOPT, AMEND, AND
25 REPEAL PROCEDURAL RULES TO CARRY OUT THE PROVISIONS OF THIS CODE;

26 (f) MAINTAIN OFFICES WITHIN THIS STATE;

1 (g) ENFORCE THE PROVISIONS OF ARTICLE 14.5 OF TITLE 12,
2 C.R.S.; AND

3 (h) EMPLOY ADMINISTRATIVE LAW JUDGES FROM THE DIVISION OF
4 ADMINISTRATIVE HEARINGS IN THE DEPARTMENT OF PERSONNEL TO
5 CONDUCT HEARINGS ON ANY MATTER WITHIN THE ADMINISTRATOR'S
6 JURISDICTION.

7 (2) THE ADMINISTRATOR MAY ADOPT RULES NOT INCONSISTENT
8 WITH THE FEDERAL "TRUTH IN LENDING ACT" AND FEDERAL "CONSUMER
9 LEASING ACT" TO ASSURE A MEANINGFUL DISCLOSURE OF CREDIT TERMS
10 SO THAT A PROSPECTIVE CONSUMER WILL BE ABLE TO COMPARE MORE
11 READILY THE VARIOUS CREDIT TERMS AVAILABLE TO HIM OR HER AND TO
12 AVOID THE UNINFORMED USE OF CREDIT. SUCH RULES SHALL SUPERSEDE
13 ANY PROVISIONS OF THIS CODE THAT ARE INCONSISTENT WITH THE
14 FEDERAL "TRUTH IN LENDING ACT" AND FEDERAL "CONSUMER LEASING
15 ACT", MAY CONTAIN CLASSIFICATIONS, DIFFERENTIATIONS, OR OTHER
16 PROVISIONS, AND MAY PROVIDE FOR ADJUSTMENTS AND EXCEPTIONS FOR
17 ANY CLASS OF TRANSACTIONS SUBJECT TO THIS CODE THAT, IN THE
18 JUDGMENT OF THE ADMINISTRATOR, ARE NECESSARY OR PROPER TO
19 EFFECTUATE THE PURPOSES OF, OR TO PREVENT CIRCUMVENTION OR
20 EVASION OF, OR TO FACILITATE COMPLIANCE WITH, THE PROVISIONS OF
21 THIS CODE RELATING TO DISCLOSURE OF CREDIT TERMS.

22 (3) TO KEEP THE ADMINISTRATOR'S RULES IN HARMONY WITH THE
23 FEDERAL "TRUTH IN LENDING ACT" AND THE FEDERAL "CONSUMER
24 LEASING ACT" AND THE REGULATIONS PRESCRIBED FROM TIME TO TIME
25 PURSUANT TO THAT ACT BY THE BOARD OF GOVERNORS OF THE FEDERAL
26 RESERVE SYSTEM AND WITH THE RULES OF ADMINISTRATORS IN OTHER

1 JURISDICTIONS THAT ENACT THE "UNIFORM CONSUMER CREDIT CODE",
2 THE ADMINISTRATOR, SO FAR AS IS CONSISTENT WITH THE PURPOSES,
3 POLICIES, AND PROVISIONS OF THIS CODE, SHALL:

4 (a) BEFORE ADOPTING, AMENDING, AND REPEALING RULES AND
5 REGULATIONS, ADVISE AND CONSULT WITH ADMINISTRATORS IN OTHER
6 JURISDICTIONS THAT ENACT THE "UNIFORM CONSUMER CREDIT CODE";
7 AND

8 (b) IN ADOPTING, AMENDING, AND REPEALING RULES AND
9 REGULATIONS, TAKE INTO CONSIDERATION:

10 (I) THE REGULATIONS SO PRESCRIBED BY THE BOARD OF
11 GOVERNORS OF THE FEDERAL RESERVE SYSTEM; AND

12 (II) THE RULES OF ADMINISTRATORS IN OTHER JURISDICTIONS THAT
13 ENACT THE "UNIFORM CONSUMER CREDIT CODE".

14 (4) EXCEPT FOR A REFUND OF AN EXCESS CHARGE, NO LIABILITY IS
15 IMPOSED UNDER THIS CODE FOR AN ACT DONE OR OMITTED IN GOOD FAITH
16 IN CONFORMITY WITH A RULE, REGULATION, INTERPRETATION, OR WRITTEN
17 RESPONSE TO A PERSON PURSUANT TO A WRITTEN REQUEST ON BEHALF OF
18 SUCH IDENTIFIED PERSON BY THE ADMINISTRATOR, NOTWITHSTANDING
19 THAT AFTER THE ACT OR OMISSION THE RULE, REGULATION,
20 INTERPRETATION, OR WRITTEN RESPONSE MAY BE AMENDED OR REPEALED
21 OR BE DETERMINED BY JUDICIAL OR OTHER AUTHORITY TO BE INVALID FOR
22 ANY REASON.

23 **5-6-105. Administrative powers with respect to supervised**
24 **financial organizations.** (1) WITH RESPECT TO SUPERVISED FINANCIAL
25 ORGANIZATIONS, THE POWERS OF EXAMINATION AND INVESTIGATION
26 DESCRIBED IN SECTIONS 5-2-305 AND 5-6-106 AND ADMINISTRATIVE

1 ENFORCEMENT DESCRIBED IN SECTION 5-6-108 SHALL BE EXERCISED BY
2 THE OFFICIAL OR AGENCY TO WHOSE SUPERVISION THE ORGANIZATION IS
3 SUBJECT. ALL OTHER POWERS OF THE ADMINISTRATOR UNDER THIS CODE
4 MAY BE EXERCISED BY THE ADMINISTRATOR WITH RESPECT TO A
5 SUPERVISED FINANCIAL ORGANIZATION.

6 (2) IF THE ADMINISTRATOR RECEIVES A COMPLAINT OR OTHER
7 INFORMATION CONCERNING NONCOMPLIANCE WITH THIS CODE BY A
8 SUPERVISED FINANCIAL ORGANIZATION, THE ADMINISTRATOR SHALL
9 INFORM THE OFFICIAL OR AGENCY HAVING SUPERVISORY AUTHORITY OVER
10 THE ORGANIZATION CONCERNED. THE ADMINISTRATOR MAY REQUEST
11 INFORMATION ABOUT SUPERVISED FINANCIAL ORGANIZATIONS FROM THE
12 OFFICIALS OR AGENCIES SUPERVISING THEM.

13 (3) THE ADMINISTRATOR AND ANY OFFICIAL OR AGENCY OF THIS
14 STATE HAVING SUPERVISORY AUTHORITY OVER A SUPERVISED FINANCIAL
15 ORGANIZATION ARE AUTHORIZED AND DIRECTED TO CONSULT AND ASSIST
16 ONE ANOTHER IN MAINTAINING COMPLIANCE WITH THIS CODE. THEY MAY
17 JOINTLY PURSUE INVESTIGATIONS, PROSECUTE SUITS, AND TAKE OTHER
18 OFFICIAL ACTION, AS THEY DEEM APPROPRIATE, IF EITHER OF THEM
19 OTHERWISE IS EMPOWERED TO TAKE THE ACTION. THE ADMINISTRATOR
20 MAY RECOVER FROM A SUPERVISED FINANCIAL ORGANIZATION THE
21 ADMINISTRATOR'S REASONABLE COSTS INCURRED IN SUCH INVESTIGATION,
22 SUIT, OR OTHER OFFICIAL ACTION AS PART OF ANY RELIEF GRANTED THE
23 ADMINISTRATOR BY A COURT OF COMPETENT JURISDICTION.

24 **5-6-106. Investigatory powers.** (1) IF THE ADMINISTRATOR HAS
25 REASONABLE CAUSE TO BELIEVE THAT A PERSON HAS ENGAGED IN AN ACT
26 THAT IS SUBJECT TO ACTION BY THE ADMINISTRATOR, THE ADMINISTRATOR

1 MAY MAKE AN INVESTIGATION TO DETERMINE IF THE ACT HAS BEEN
2 COMMITTED, AND, TO THE EXTENT NECESSARY FOR THIS PURPOSE, MAY
3 ADMINISTER OATHS OR AFFIRMATIONS, AND, UPON HIS OR HER OWN
4 MOTION OR UPON REQUEST OF ANY PARTY, MAY SUBPOENA WITNESSES,
5 COMPEL THEIR ATTENDANCE, ADDUCE EVIDENCE, AND REQUIRE THE
6 PRODUCTION OF ANY MATTER THAT IS RELEVANT TO THE INVESTIGATION,
7 INCLUDING THE EXISTENCE, DESCRIPTION, NATURE, CUSTODY, CONDITION,
8 AND LOCATION OF ANY BOOKS, DOCUMENTS, OR OTHER TANGIBLE THINGS
9 AND THE IDENTITY AND LOCATION OF PERSONS HAVING KNOWLEDGE OF
10 RELEVANT FACTS, OR ANY OTHER MATTER REASONABLY CALCULATED TO
11 LEAD TO THE DISCOVERY OF ADMISSIBLE EVIDENCE. IN ANY CIVIL ACTION
12 BROUGHT BY THE ADMINISTRATOR AS A RESULT OF SUCH AN
13 INVESTIGATION, THE ADMINISTRATOR MAY RECOVER THE REASONABLE
14 COSTS OF MAKING THE INVESTIGATION IF THE ADMINISTRATOR PREVAILS
15 IN THE ACTION.

16 (2) IF THE PERSON'S RECORDS ARE LOCATED OUTSIDE THIS STATE,
17 THE PERSON AT HIS OR HER OPTION SHALL EITHER MAKE THEM AVAILABLE
18 TO THE ADMINISTRATOR AT A CONVENIENT LOCATION WITHIN THIS STATE
19 OR PAY THE REASONABLE AND NECESSARY EXPENSES FOR THE
20 ADMINISTRATOR OR THE ADMINISTRATOR'S REPRESENTATIVE TO EXAMINE
21 THEM AT THE PLACE WHERE THEY ARE MAINTAINED. THE ADMINISTRATOR
22 MAY DESIGNATE REPRESENTATIVES, INCLUDING COMPARABLE OFFICIALS
23 OF THE STATE IN WHICH THE RECORDS ARE LOCATED, TO INSPECT THEM ON
24 THE ADMINISTRATOR'S BEHALF.

25 (3) UPON FAILURE WITHOUT LAWFUL EXCUSE TO OBEY A SUBPOENA
26 OR TO GIVE TESTIMONY, THE ADMINISTRATOR MAY APPLY TO THE DISTRICT

1 COURT FOR AN ORDER COMPELLING COMPLIANCE.

2 (4) THE ADMINISTRATOR SHALL NOT MAKE PUBLIC THE NAME OR
3 IDENTITY OF A PERSON WHOSE ACTS OR CONDUCT HE OR SHE INVESTIGATES
4 PURSUANT TO THIS SECTION OR THE FACTS DISCLOSED IN THE
5 INVESTIGATION, BUT THIS SUBSECTION (4) DOES NOT APPLY TO
6 DISCLOSURES IN ACTIONS OR ENFORCEMENT PROCEEDINGS PURSUANT TO
7 THIS CODE.

8 **5-6-107. Application of administrative procedures -**
9 **provisions.** EXCEPT AS OTHERWISE PROVIDED, THE PROVISIONS OF
10 SECTIONS 24-4-102 TO 24-4-106, C.R.S., APPLY TO AND GOVERN ALL
11 RULES PROMULGATED AND ALL ADMINISTRATIVE ACTION TAKEN BY THE
12 ADMINISTRATOR PURSUANT TO THIS ARTICLE OR THE PROVISIONS ON
13 SUPERVISED LOANS CONTAINED IN PART 3 OF ARTICLE 2 OF THIS TITLE;
14 EXCEPT THAT SECTION 24-4-104 (3), C.R.S., SHALL NOT APPLY TO ANY
15 SUCH ACTION.

16 **5-6-108. Judicial review.** ANY PERSON AGGRIEVED BY ANY FINAL
17 ACTION OR ORDER OF THE ADMINISTRATOR AND AFFECTED THEREBY IS
18 ENTITLED TO A REVIEW THEREOF BY THE COLORADO COURT OF APPEALS
19 BY APPROPRIATE PROCEEDINGS UNDER SECTION 24-4-106 (11), C.R.S.

20 **5-6-109. Administrative enforcement orders.** (1) AFTER
21 NOTICE AND HEARING, THE ADMINISTRATOR MAY ORDER A CREDITOR OR
22 A PERSON ACTING IN THE CREDITOR'S BEHALF TO CEASE AND DESIST FROM
23 ENGAGING IN VIOLATIONS OF THIS CODE OR ANY RULE OR ORDER
24 LAWFULLY MADE PURSUANT TO THIS CODE. THE ORDER ISSUED BY THE
25 ADMINISTRATOR MAY ALSO REQUIRE THE CREDITOR OR PERSON TO MAKE
26 REFUNDS TO CONSUMERS OF EXCESS CHARGES UNDER THIS CODE AND PAY

1 A PENALTY UP TO A MAXIMUM OF ONE THOUSAND DOLLARS FOR EACH
2 VIOLATION, ALL OR PART OF WHICH MAY BE SPECIFICALLY DESIGNATED
3 FOR CONSUMER AND CREDITOR EDUCATIONAL PURPOSES.

4 (2) A RESPONDENT AGGRIEVED BY AN ORDER OF THE
5 ADMINISTRATOR MAY OBTAIN JUDICIAL REVIEW OF THE ORDER IN THE
6 COLORADO COURT OF APPEALS. THE ADMINISTRATOR MAY OBTAIN AN
7 ORDER OF THE COURT FOR ENFORCEMENT OF THE ADMINISTRATOR'S
8 ORDER IN THE DISTRICT COURT UNDER SECTION 24-4-106, C.R.S. ALL
9 PROCEEDINGS UNDER THIS SECTION SHALL BE GOVERNED BY SECTIONS
10 24-4-105 AND 24-4-106, C.R.S.

11 (3) WITH RESPECT TO UNCONSCIONABLE AGREEMENTS OR
12 FRAUDULENT OR UNCONSCIONABLE CONDUCT BY THE RESPONDENT, THE
13 ADMINISTRATOR MAY NOT ISSUE AN ORDER PURSUANT TO THIS SECTION
14 BUT MAY BRING A CIVIL ACTION FOR AN INJUNCTION UNDER SECTION
15 5-6-112.

16 **5-6-110. Assurance of discontinuance.** IF IT IS CLAIMED THAT A
17 PERSON HAS ENGAGED IN CONDUCT SUBJECT TO AN ORDER BY THE
18 ADMINISTRATOR DESCRIBED IN SECTION 5-6-108 OR BY A COURT
19 DESCRIBED IN SECTIONS 5-6-111 TO 5-6-113, THE ADMINISTRATOR MAY
20 ACCEPT AN ASSURANCE IN WRITING THAT THE PERSON WILL NOT ENGAGE
21 IN THE CONDUCT IN THE FUTURE. THE ASSURANCE MAY ALSO REQUIRE THE
22 PERSON TO MAKE REFUNDS TO CONSUMERS OF EXCESS CHARGES UNDER
23 THIS CODE, PAY A PENALTY UP TO A MAXIMUM OF ONE THOUSAND DOLLARS
24 FOR EACH VIOLATION, ALL OR PART OF WHICH MAY BE SPECIFICALLY
25 DESIGNATED FOR CONSUMER AND CREDITOR EDUCATIONAL PURPOSES, AND
26 REIMBURSE THE ADMINISTRATOR FOR THE ADMINISTRATOR'S REASONABLE

1 COSTS INCURRED IN INVESTIGATING THE CONDUCT. IF A PERSON GIVING AN
2 ASSURANCE OF DISCONTINUANCE FAILS TO COMPLY WITH ITS TERMS, THE
3 ASSURANCE IS EVIDENCE THAT PRIOR TO THE ASSURANCE SUCH PERSON
4 ENGAGED IN THE CONDUCT DESCRIBED IN THE ASSURANCE.

5 **5-6-111. Injunctions against violations of code.** THE
6 ADMINISTRATOR MAY BRING A CIVIL ACTION TO RESTRAIN A PERSON FROM
7 VIOLATING THIS CODE OR RULES OR REGULATIONS PROMULGATED
8 THEREUNDER AND FOR OTHER APPROPRIATE RELIEF.

9 **5-6-112. Injunctions against unconscionable agreements and**
10 **fraudulent or unconscionable conduct.** (1) THE ADMINISTRATOR MAY
11 BRING A CIVIL ACTION TO RESTRAIN A CREDITOR OR A PERSON ACTING IN
12 THE CREDITOR'S BEHALF FROM ENGAGING IN A COURSE OF:

13 (a) MAKING OR ENFORCING UNCONSCIONABLE TERMS OR
14 PROVISIONS OF CONSUMER CREDIT TRANSACTIONS;

15 (b) FRAUDULENT OR UNCONSCIONABLE CONDUCT IN INDUCING
16 CONSUMERS TO ENTER INTO CONSUMER CREDIT TRANSACTIONS;

17 (c) CONDUCT OF ANY OF THE TYPES SPECIFIED IN PARAGRAPH (a)
18 OR (b) OF THIS SUBSECTION (1) WITH RESPECT TO TRANSACTIONS THAT
19 GIVE RISE TO OR LEAD PERSONS TO BELIEVE THEY WILL GIVE RISE TO
20 CONSUMER CREDIT TRANSACTIONS; OR

21 (d) FRAUDULENT OR UNCONSCIONABLE CONDUCT IN THE
22 COLLECTION OF DEBTS ARISING FROM CONSUMER CREDIT TRANSACTIONS.

23 (2) IN AN ACTION BROUGHT PURSUANT TO THIS SECTION, THE
24 COURT MAY GRANT RELIEF ONLY IF IT FINDS:

25 (a) THAT THE RESPONDENT HAS MADE UNCONSCIONABLE
26 AGREEMENTS OR HAS ENGAGED OR IS LIKELY TO ENGAGE IN A COURSE OF

1 FRAUDULENT OR UNCONSCIONABLE CONDUCT;

2 (b) THAT THE AGREEMENTS OR CONDUCT OF THE RESPONDENT HAS
3 CAUSED OR IS LIKELY TO CAUSE INJURY TO CONSUMERS; AND

4 (c) THAT THE RESPONDENT HAS BEEN ABLE TO CAUSE OR WILL BE
5 ABLE TO CAUSE THE INJURY PRIMARILY BECAUSE THE TRANSACTIONS
6 INVOLVED ARE CREDIT TRANSACTIONS.

7 (3) IN APPLYING THIS SECTION, CONSIDERATION SHALL BE GIVEN
8 TO EACH OF THE FOLLOWING FACTORS, AMONG OTHERS:

9 (a) WHETHER THE CREDITOR SHOULD HAVE REASONABLY
10 BELIEVED AT THE TIME CONSUMER CREDIT TRANSACTIONS WERE MADE
11 THAT, ACCORDING TO THE CREDIT TERMS OR SCHEDULE OF PAYMENTS,
12 THERE WAS NO REASONABLE PROBABILITY OF PAYMENT IN FULL OF THE
13 OBLIGATION BY THE CONSUMER;

14 (b) WHETHER THE CREDITOR REASONABLY SHOULD HAVE KNOWN,
15 AT THE TIME OF THE TRANSACTION, OF THE INABILITY OF THE CONSUMER
16 TO RECEIVE SUBSTANTIAL BENEFITS FROM THE TRANSACTION;

17 (c) GROSS DISPARITY BETWEEN THE PRICE OF THE TRANSACTION
18 AND ITS VALUE MEASURED BY THE PRICE AT WHICH SIMILAR
19 TRANSACTIONS ARE READILY OBTAINABLE BY LIKE CONSUMERS;

20 (d) THE FACT THAT THE CREDITOR CONTRACTED FOR OR RECEIVED
21 SEPARATE CHARGES FOR INSURANCE WITH RESPECT TO CONSUMER CREDIT
22 TRANSACTIONS WITH THE EFFECT OF MAKING THE TRANSACTIONS,
23 CONSIDERED AS A WHOLE, UNCONSCIONABLE;

24 (e) THE FACT THAT THE RESPONDENT HAS KNOWINGLY TAKEN
25 ADVANTAGE OF THE INABILITY OF THE CONSUMER REASONABLY TO
26 PROTECT HIS OR HER INTERESTS BY REASON OF PHYSICAL OR MENTAL

1 INFIRMITIES, IGNORANCE, ILLITERACY, OR INABILITY TO UNDERSTAND THE
2 LANGUAGE OF THE AGREEMENT, OR SIMILAR FACTORS; AND

3 (f) ANY OF THE FACTORS SET FORTH IN SECTION 5-5-109 (4).

4 (4) THE ADMINISTRATOR MAY BRING A CIVIL ACTION TO RESTRAIN
5 A CREDITOR OR A PERSON ACTING IN THE CREDITOR'S BEHALF FROM
6 ENGAGING IN A COURSE OF MAKING OR ARRANGING CONSUMER LOANS TO
7 ENABLE CONSUMERS TO BUY OR LEASE FROM A PARTICULAR SELLER OR
8 LESSOR GOODS OR SERVICES, A PRINCIPAL PURPOSE OF WHICH COURSE OF
9 ACTION IS TO AVOID GIVING THE CONSUMERS THOSE RIGHTS THAT THEY
10 WOULD HAVE HAD IF THE TRANSACTIONS WERE ENTERED INTO AS A
11 CONSUMER CREDIT SALE IF:

12 (a) THE LENDER IS A PERSON RELATED TO THE SELLER OR LESSOR
13 UNLESS THE RELATIONSHIP IS REMOTE OR IS NOT A FACTOR IN THE
14 TRANSACTION;

15 (b) THE SELLER OR LESSOR GUARANTEES THE LOANS OR
16 OTHERWISE ASSUMES THE RISK OF LOSS BY THE LENDER UPON THE LOANS;

17 (c) THE LOANS ARE CONDITIONED UPON THE CONSUMER'S
18 PURCHASE OR LEASE OF THE GOODS OR SERVICES FROM THE PARTICULAR
19 SELLER OR LESSOR, BUT THE LENDER'S PAYMENT OF PROCEEDS OF THE
20 LOAN TO THE SELLER OR LESSOR DOES NOT IN ITSELF ESTABLISH THAT THE
21 LOAN WAS SO CONDITIONED; OR

22 (d) THE LENDER, BEFORE THE LENDER MAKES THE CONSUMER
23 LOAN, HAS KNOWLEDGE OR, FROM THE LENDER'S COURSE OF DEALING
24 WITH THE PARTICULAR SELLER OR LESSOR OR FROM THE LENDER'S
25 RECORDS, NOTICE OF SUBSTANTIAL COMPLAINTS BY OTHER CONSUMERS OF
26 THE PARTICULAR SELLER'S OR LESSOR'S FAILURE OR REFUSAL TO PERFORM

1 HIS OR HER CONTRACTS WITH THEM AND OF THE PARTICULAR SELLER'S OR
2 LESSOR'S FAILURE TO REMEDY HIS OR HER DEFAULTS WITHIN A
3 REASONABLE TIME AFTER NOTICE TO HIM OR HER OF THE COMPLAINTS.

4 (5) IN AN ACTION BROUGHT PURSUANT TO THIS CODE, A CHARGE OR
5 PRACTICE EXPRESSLY PERMITTED BY THIS CODE IS NOT IN ITSELF
6 UNCONSCIONABLE.

7 **5-6-113. Temporary relief.** WITH RESPECT TO AN ACTION
8 BROUGHT TO ENJOIN VIOLATIONS OF THIS CODE UNDER SECTION 5-6-111
9 OR UNCONSCIONABLE AGREEMENTS OR FRAUDULENT OR UNCONSCIONABLE
10 CONDUCT UNDER SECTION 5-6-112, THE ADMINISTRATOR MAY APPLY TO
11 THE COURT FOR A TEMPORARY RESTRAINING ORDER OR A PRELIMINARY
12 INJUNCTION AGAINST A RESPONDENT PENDING FINAL DETERMINATION OF
13 PROCEEDINGS. IF THE COURT FINDS AFTER A HEARING THAT THERE IS
14 REASONABLE CAUSE TO BELIEVE THAT THE RESPONDENT IS ENGAGING IN
15 OR IS LIKELY TO ENGAGE IN CONDUCT SOUGHT TO BE RESTRAINED, IT MAY
16 GRANT ANY SUCH TEMPORARY RESTRAINING ORDER OR PRELIMINARY
17 INJUNCTION IT DEEMS APPROPRIATE. THE COURT MAY ALSO ISSUE SUCH
18 ORDERS OR JUDGMENTS AS MAY BE NECESSARY TO COMPLETELY
19 COMPENSATE OR RESTORE TO HIS OR HER ORIGINAL POSITION ANY
20 CONSUMER AFFECTED BY SUCH VIOLATION, AGREEMENT, OR CONDUCT OR
21 IF THERE IS REASONABLE CAUSE TO BELIEVE FUNDS TO MAKE REFUNDS OF
22 EXCESS CHARGES UNDER THIS CODE WILL NOT BE AVAILABLE AT A FUTURE
23 DATE. NO BOND OR OTHER SECURITY IS REQUIRED OF THE ADMINISTRATOR
24 BEFORE RELIEF UNDER THIS SECTION MAY BE GRANTED.

25 **5-6-114. Civil actions by administrator.** (1) (a) THE
26 ADMINISTRATOR MAY BRING A CIVIL ACTION AGAINST A CREDITOR FOR

1 MAKING OR COLLECTING CHARGES IN EXCESS OF THOSE PERMITTED BY
2 THIS CODE, VIOLATING ANY OF THE PROVISIONS OF THIS CODE APPLYING TO
3 LIMITATIONS ON THE SCHEDULE OF PAYMENTS OR LOAN TERM FOR
4 SUPERVISED LOANS OR AUTHORITY TO MAKE SUPERVISED LOANS, OR FOR
5 DISCLOSURE VIOLATIONS. AN ACTION MAY RELATE TO TRANSACTIONS
6 WITH MORE THAN ONE CONSUMER. IF IT IS FOUND THAT AN EXCESS
7 CHARGE HAS BEEN MADE, THE COURT SHALL ORDER THE RESPONDENT TO
8 REFUND TO THE CONSUMER THE AMOUNT OF THE EXCESS CHARGE AND TO
9 PAY A PENALTY TO THE CONSUMER AS PROVIDED IN SECTIONS 5-5-201 AND
10 5-5-202.

11 (b) IF A CREDITOR HAS MADE AN EXCESS CHARGE IN DELIBERATE
12 VIOLATION OF OR IN RECKLESS DISREGARD FOR THIS CODE OR IF A
13 CREDITOR HAS REFUSED TO REFUND AN EXCESS CHARGE WITHIN A
14 REASONABLE TIME AFTER DEMAND BY THE CONSUMER OR THE
15 ADMINISTRATOR, THE COURT MAY ALSO ORDER THE RESPONDENT TO PAY
16 TO THE CONSUMERS A CIVIL PENALTY IN AN AMOUNT DETERMINED BY THE
17 COURT NOT IN EXCESS OF THE GREATER OF EITHER THE AMOUNT OF THE
18 FINANCE CHARGE OR TEN TIMES THE AMOUNT OF THE EXCESS CHARGE.
19 REFUNDS AND PENALTIES TO WHICH THE CONSUMER IS ENTITLED
20 PURSUANT TO THIS SUBSECTION (1) MAY BE SET OFF AGAINST THE
21 CONSUMER'S OBLIGATION.

22 (c) IF A CONSUMER BRINGS AN ACTION AGAINST A CREDITOR TO
23 RECOVER AN EXCESS CHARGE OR CIVIL PENALTY, AN ACTION BY THE
24 ADMINISTRATOR TO RECOVER FOR THE SAME EXCESS CHARGE OR CIVIL
25 PENALTY SHALL BE STAYED WHILE THE CONSUMER'S ACTION IS PENDING
26 AND SHALL BE DISMISSED IF THE CONSUMER'S ACTION IS DISMISSED WITH

1 PREJUDICE OR RESULTS IN A FINAL JUDGMENT GRANTING OR DENYING THE
2 CONSUMER'S CLAIM. THERE SHALL BE NO DOUBLE RECOVERY FOR
3 REFUNDS OF EXCESS CHARGES OR A PENALTY PAYABLE TO THE CONSUMER.

4 (d) WITH RESPECT TO EXCESS CHARGES ARISING FROM REVOLVING
5 ACCOUNTS, NO ACTION PURSUANT TO THIS SUBSECTION (1) MAY BE
6 BROUGHT MORE THAN FOUR YEARS AFTER THE TIME THE EXCESS CHARGE
7 WAS MADE. WITH RESPECT TO EXCESS CHARGES ARISING FROM OTHER
8 CONSUMER CREDIT TRANSACTIONS, NO ACTION PURSUANT TO THIS
9 SUBSECTION (1) MAY BE BROUGHT MORE THAN FOUR YEARS AFTER THE
10 DUE DATE OF THE LAST SCHEDULED PAYMENT OF THE AGREEMENT
11 PURSUANT TO WHICH THE CHARGE WAS MADE.

12 (e) IF THE CREDITOR ESTABLISHES BY A PREPONDERANCE OF
13 EVIDENCE THAT A VIOLATION IS UNINTENTIONAL OR THE RESULT OF A
14 BONA FIDE ERROR, NO LIABILITY TO PAY A PENALTY SHALL BE IMPOSED
15 UNDER THIS SUBSECTION (1).

16 (2) THE ADMINISTRATOR MAY BRING A CIVIL ACTION AGAINST A
17 CREDITOR OR A PERSON ACTING IN THE CREDITOR'S BEHALF TO RECOVER
18 A CIVIL PENALTY FOR WILLFULLY VIOLATING THIS CODE, AND, IF THE
19 COURT FINDS THAT THE DEFENDANT HAS ENGAGED IN A COURSE OF
20 REPEATED AND WILLFUL VIOLATIONS OF THIS CODE, IT MAY ASSESS A CIVIL
21 PENALTY OF NO MORE THAN FIVE THOUSAND DOLLARS. ALL OR PART OF
22 THE PENALTY UNDER THIS SUBSECTION (2) MAY BE SPECIFICALLY
23 DESIGNATED FOR CONSUMER AND CREDITOR EDUCATION. NO CIVIL
24 PENALTY PURSUANT TO THIS SUBSECTION (2) MAY BE IMPOSED FOR
25 VIOLATIONS OF THIS CODE OCCURRING MORE THAN FOUR YEARS BEFORE
26 THE ACTION IS BROUGHT OR FOR MAKING UNCONSCIONABLE AGREEMENTS

1 OR ENGAGING IN A COURSE OF FRAUDULENT OR UNCONSCIONABLE
2 CONDUCT.

3 (3) IF THE ADMINISTRATOR PREVAILS IN AN ACTION BROUGHT
4 UNDER THIS SECTION, THE ADMINISTRATOR MAY RECOVER HIS OR HER
5 REASONABLE COSTS IN INVESTIGATING AND BRINGING THE ACTION AND
6 REQUEST AN ORDER FOR REIMBURSEMENT OF HIS OR HER REASONABLE
7 ATTORNEY FEES.

8 **5-6-115. Jury trial.** IN AN ACTION BROUGHT BY THE
9 ADMINISTRATOR UNDER THIS CODE, THE ADMINISTRATOR HAS NO RIGHT TO
10 TRIAL BY JURY, BUT THIS WILL NOT PREVENT A DEFENDANT FROM
11 REQUESTING A JURY TRIAL UNDER THE COLORADO RULES OF CIVIL
12 PROCEDURE.

13 **5-6-116. Consumers' remedies not affected.** THE GRANT OF
14 POWERS TO THE ADMINISTRATOR IN THIS ARTICLE DOES NOT AFFECT
15 REMEDIES AVAILABLE TO CONSUMERS UNDER THIS CODE OR UNDER OTHER
16 PRINCIPLES OF LAW OR EQUITY.

17 PART 2

18 NOTIFICATION AND FEES

19 **5-6-201. Applicability.** THIS PART 2 APPLIES TO A PERSON
20 ENGAGED IN MAKING CONSUMER CREDIT SALES AND CONSUMER LEASES
21 AND TO A PERSON WHO TAKES ASSIGNMENTS OF AND UNDERTAKES DIRECT
22 COLLECTION OF PAYMENTS FROM OR ENFORCEMENT OF RIGHTS AGAINST
23 CONSUMERS ARISING FROM THESE SALES OR LEASES; EXCEPT THAT
24 SECTIONS 5-6-203 (5) AND 5-6-204 APPLY TO ALL FEES COLLECTED UNDER
25 THIS CODE.

26 **5-6-202. Notification.** (1) PERSONS SUBJECT TO THIS PART 2

1 SHALL FILE NOTIFICATION WITH, AND PAY THE FEE PRESCRIBED IN SECTION
2 5-6-203 TO, THE ADMINISTRATOR WITHIN THIRTY DAYS AFTER
3 COMMENCING BUSINESS IN THIS STATE AND, THEREAFTER, ON OR BEFORE
4 JANUARY 31 OF EACH YEAR. THE NOTIFICATION SHALL STATE:

5 (a) NAME OF THE PERSON;

6 (b) NAME IN WHICH BUSINESS IS TRANSACTED IF DIFFERENT FROM
7 PARAGRAPH (a) OF THIS SUBSECTION (1);

8 (c) ADDRESS OF PRINCIPAL OFFICE, WHICH MAY BE OUTSIDE THIS
9 STATE;

10 (d) ADDRESS OF ALL OFFICES OR RETAIL STORES, IF ANY, IN THIS
11 STATE AT WHICH CONSUMER CREDIT SALES OR CONSUMER LEASES ARE
12 MADE OR, IN THE CASE OF A PERSON TAKING ASSIGNMENTS OF
13 OBLIGATIONS, THE OFFICES OR PLACES OF BUSINESS WITHIN THIS STATE AT
14 WHICH BUSINESS IS TRANSACTED;

15 (e) IF CONSUMER CREDIT SALES OR CONSUMER LEASES ARE MADE
16 OTHERWISE THAN AT AN OFFICE OR RETAIL STORE IN THIS STATE, A BRIEF
17 DESCRIPTION OF THE MANNER IN WHICH THEY ARE MADE;

18 (f) ADDRESS OF DESIGNATED AGENT UPON WHOM SERVICE OF
19 PROCESS MAY BE MADE IN THIS STATE DESCRIBED IN SECTION 5-1-203; AND

20 (g) WHETHER SUPERVISED LOANS ARE MADE.

21 (2) IF INFORMATION IN A NOTIFICATION BECOMES INACCURATE
22 AFTER FILING, NO FURTHER NOTIFICATION IS REQUIRED UNTIL THE
23 FOLLOWING JANUARY 31.

24 **5-6-203. Fees.** (1) (a) A PERSON REQUIRED TO FILE NOTIFICATION
25 SHALL, WITH THE FIRST NOTIFICATION AND ON OR BEFORE JANUARY 31 OF
26 EACH YEAR THEREAFTER, PAY TO THE ADMINISTRATOR A NONREFUNDABLE

1 ANNUAL NOTIFICATION FEE OF TWENTY DOLLARS.

2 (b) A PERSON SHALL BE REQUIRED TO FILE NOTIFICATION AND PAY
3 THE NOTIFICATION FEE SPECIFIED IN THIS SUBSECTION (1) ONLY IF SUCH
4 PERSON:

5 (I) CHARGES OR COLLECTS A FINANCE CHARGE; AND

6 (II) COLLECTS PAYMENTS UNDER THE OBLIGATION FOR MORE THAN
7 THIRTY DAYS AFTER INCEPTION OF THE CONSUMER CREDIT SALE OR
8 CONSUMER LEASE.

9 (2) PERSONS REQUIRED TO FILE NOTIFICATION WHO ARE SELLERS
10 OR LESSORS SHALL PAY AN ADDITIONAL NONREFUNDABLE ANNUAL
11 VOLUME FEE ON OR BEFORE JANUARY 31 OF EACH YEAR IN THE AMOUNT OF
12 TWELVE DOLLARS FOR EACH ONE HUNDRED THOUSAND DOLLARS, OR PART
13 THEREOF, IN EXCESS OF ONE HUNDRED THOUSAND DOLLARS, OF THE
14 ORIGINAL UNPAID BALANCES ARISING FROM CONSUMER CREDIT SALES OR
15 CONSUMER LEASES MADE IN THIS STATE WITHIN THE PRECEDING CALENDAR
16 YEAR AND HELD EITHER BY THE CREDITOR FOR MORE THAN THIRTY DAYS
17 AFTER THE INCEPTION OF THE SALE OR LEASE GIVING RISE TO THE
18 OBLIGATIONS OR BY AN ASSIGNEE WHO HAS NOT FILED NOTIFICATION. A
19 REFINANCING OF A SALE OR LEASE RESULTING IN AN INCREASE IN THE
20 AMOUNT OF AN OBLIGATION IS CONSIDERED A NEW SALE OR LEASE TO THE
21 EXTENT OF THE AMOUNT OF THE INCREASE.

22 (3) PERSONS REQUIRED TO FILE NOTIFICATION WHO ARE ASSIGNEES
23 OF CONSUMER CREDIT SALES OR CONSUMER LEASES SHALL PAY AN
24 ADDITIONAL NONREFUNDABLE ANNUAL VOLUME FEE ON OR BEFORE
25 JANUARY 31 OF EACH YEAR IN THE AMOUNT OF TWELVE DOLLARS FOR
26 EACH ONE HUNDRED THOUSAND DOLLARS, OR PART THEREOF, OF THE

1 UNPAID BALANCES AT THE TIME OF THE ASSIGNMENT OF OBLIGATIONS
2 ARISING FROM CONSUMER CREDIT SALES OR CONSUMER LEASES MADE IN
3 THIS STATE AND TAKEN BY ASSIGNMENT DURING THE PRECEDING
4 CALENDAR YEAR, BUT AN ASSIGNEE NEED NOT PAY A VOLUME FEE WITH
5 RESPECT TO AN OBLIGATION ON WHICH THE ASSIGNOR OR OTHER PERSON
6 HAS ALREADY PAID A VOLUME FEE.

7 (4) A PENALTY OF FIVE DOLLARS PER DAY SHALL BE IMPOSED ON
8 ANY PERSON FAILING TO COMPLY WITH THIS SECTION; EXCEPT THAT, IF THE
9 FEES REQUIRED BY THIS SECTION ARE PAID ON OR BEFORE MARCH 1 OF
10 EACH YEAR, NO PENALTY SHALL BE IMPOSED. IF A PERSON REQUIRED TO
11 FILE NOTIFICATION AND PAY A NOTIFICATION FEE FAILS TO DO SO, THE
12 CONSUMER SHALL HAVE NO OBLIGATION TO PAY THE FINANCE CHARGE DUE
13 UNDER THE CONSUMER CREDIT TRANSACTION AND ANY FINANCE CHARGES
14 PAID SHALL BE REFUNDED TO THE CONSUMER. IN ADDITION, THE
15 ADMINISTRATOR SHALL BE ENTITLED TO EXAMINE THE LOANS, BUSINESS,
16 AND RECORDS OF SUCH PERSON WITHOUT ISSUANCE OF A SUBPOENA AND
17 THE PERSON SHALL PAY THE REASONABLE AND NECESSARY EXAMINATION
18 EXPENSES OF THE ADMINISTRATOR.

19 (5) NOTWITHSTANDING THE AMOUNT SPECIFIED FOR ANY FEE IN
20 THIS SECTION OR IN SECTION 5-2-302 (1), THE ADMINISTRATOR BY RULE OR
21 AS OTHERWISE PROVIDED BY LAW MAY REDUCE THE AMOUNT OF ONE OR
22 MORE OF THE FEES IF NECESSARY PURSUANT TO SECTION 24-75-402 (3),
23 C.R.S., TO REDUCE THE UNCOMMITTED RESERVES OF THE FUND TO WHICH
24 ALL OF ANY PORTION OF ONE OR MORE OF THE FEES IS CREDITED. AFTER
25 THE UNCOMMITTED RESERVES OF THE FUND ARE SUFFICIENTLY REDUCED,
26 THE ADMINISTRATOR BY RULE OR AS OTHERWISE PROVIDED BY LAW MAY

1 INCREASE THE AMOUNT OF ONE OR MORE OF THE FEES AS PROVIDED IN
2 SECTION 24-75-402 (4), C.R.S.

3 **5-6-204. Cash fund created.** ALL FEES COLLECTED UNDER THIS
4 CODE AND UNDER ARTICLE 10 OF THIS TITLE SHALL BE CREDITED TO THE
5 UNIFORM CONSUMER CREDIT CODE CASH FUND, WHICH FUND IS HEREBY
6 CREATED, AND ALL MONEYS CREDITED TO SUCH FUND SHALL BE USED FOR
7 THE ADMINISTRATION AND ENFORCEMENT OF THIS CODE, ARTICLE 10 OF
8 THIS TITLE, AND ARTICLE 14.5 OF TITLE 12, C.R.S. INTEREST EARNED ON
9 THE FUND SHALL BE CREDITED TO THE FUND. THE GENERAL ASSEMBLY
10 SHALL MAKE ANNUAL APPROPRIATIONS OUT OF THE FUND FOR THE
11 ADMINISTRATION AND ENFORCEMENT OF THIS CODE, ARTICLE 10 OF THIS
12 TITLE, AND ARTICLE 14.5 OF TITLE 12, C.R.S.; EXCEPT THAT EXPENDITURES
13 BY THE ADMINISTRATOR FOR CONSUMER AND CREDITOR EDUCATION
14 RESULTING FROM THE PENALTIES PROVIDED IN SECTIONS 5-2-303 (8) (f),
15 5-6-109(1), 5-6-110, AND 5-6-114(2) SHALL NOT REQUIRE APPROPRIATION
16 BY THE GENERAL ASSEMBLY IF SUCH EXPENDITURES DO NOT EXCEED
17 TWENTY-FIVE THOUSAND DOLLARS PER FISCAL YEAR AND DO NOT INCLUDE
18 THE HIRING OF ANY FULL-TIME EQUIVALENTS.

19 PART 3

20 COUNCIL OF ADVISORS ON CONSUMER CREDIT

21 **5-6-301. Council of advisors on consumer credit.** (1) THERE IS
22 HEREBY CREATED THE COUNCIL OF ADVISORS ON CONSUMER CREDIT
23 CONSISTING OF NINE MEMBERS WHO SHALL BE APPOINTED BY THE
24 GOVERNOR. ONE OF THE ADVISORS SHALL BE DESIGNATED BY THE
25 GOVERNOR AS CHAIRPERSON. IN APPOINTING MEMBERS OF THE COUNCIL,
26 THE GOVERNOR SHALL SEEK TO ACHIEVE A FAIR REPRESENTATION FROM

1 THE VARIOUS SEGMENTS OF THE CONSUMER CREDIT INDUSTRY AND PUBLIC.

2 (2) THE TERM OF OFFICE OF EACH MEMBER OF THE COUNCIL IS
3 THREE YEARS. A MEMBER CHOSEN TO FILL A VACANCY ARISING
4 OTHERWISE THAN BY EXPIRATION OF A TERM SHALL BE APPOINTED FOR THE
5 UNEXPIRED TERM OF THE MEMBER WHOM HE OR SHE IS TO SUCCEED. A
6 MEMBER OF THE COUNCIL IS ELIGIBLE FOR REAPPOINTMENT.

7 (3) MEMBERS OF THE COUNCIL SHALL SERVE WITHOUT
8 COMPENSATION BUT ARE ENTITLED TO REIMBURSEMENT OF ACTUAL AND
9 NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.

10 **5-6-302. Function of council - conflict of interest.** (1) THE
11 COUNCIL SHALL ADVISE AND CONSULT WITH THE ADMINISTRATOR
12 CONCERNING THE EXERCISE OF THE ADMINISTRATOR'S POWERS UNDER THIS
13 CODE AND MAY MAKE RECOMMENDATIONS TO THE ADMINISTRATOR.
14 MEMBERS OF THE COUNCIL MAY ASSIST THE ADMINISTRATOR IN
15 OBTAINING COMPLIANCE WITH THIS CODE. SINCE IT IS AN OBJECTIVE OF
16 THIS PART 3 TO OBTAIN COMPETENT REPRESENTATIVES OF CREDITORS AND
17 THE PUBLIC TO SERVE ON THE COUNCIL AND TO ASSIST AND COOPERATE
18 WITH THE ADMINISTRATOR IN ACHIEVING THE OBJECTIVES OF THIS CODE,
19 SERVICE ON THE COUNCIL SHALL NOT IN ITSELF CONSTITUTE A CONFLICT
20 OF INTEREST REGARDLESS OF THE OCCUPATIONS OR ASSOCIATIONS OF THE
21 MEMBERS.

22 (2) (a) THERE IS HEREBY CREATED A SUBCOMMITTEE OF THE
23 COUNCIL OF ADVISORS ON CONSUMER CREDIT FOR THE PURPOSE SPECIFIED
24 IN PARAGRAPH (b) OF THIS SUBSECTION (2). THE SUBCOMMITTEE SHALL
25 CONSIST OF THE ATTORNEY GENERAL, THE CHAIRPERSON OF THE COUNCIL,
26 AND THREE MEMBERS OF THE COUNCIL APPOINTED BY SUCH CHAIRPERSON.

1 OF THE SUBCOMMITTEE MEMBERS WHO ARE ALSO MEMBERS OF THE
2 COUNCIL, TWO SHALL BE REPRESENTATIVES OF THE CONSUMER CREDIT
3 INDUSTRY AND TWO SHALL BE REPRESENTATIVES OF THE PUBLIC. ANY
4 ACTION TAKEN BY A MAJORITY OF THE SUBCOMMITTEE SHALL CONSTITUTE
5 ACTION BY THE COUNCIL.

6 (b) THE SUBCOMMITTEE MAY REVIEW, REPEAL, AMEND, OR MODIFY
7 ANY RULE PROMULGATED BY THE ADMINISTRATOR PURSUANT TO SECTION
8 5-6-104 (1) (e).

9 **SECTION 2.** 5-9-101 (1), (2), (3) (a), and (3) (b), Colorado
10 Revised Statutes, are amended to read:

11 **5-9-101. Time of taking effect - provisions for transition.**

12 (1) Except as otherwise provided in this section, this code ~~takes~~ AS IT
13 EXISTED PRIOR TO THE ENACTMENT OF HOUSE BILL 1185, AS ENACTED AT
14 THE SECOND REGULAR SESSION OF THE SIXTY-SECOND GENERAL
15 ASSEMBLY, TOOK effect at 12:01 a.m. on October 1, 1971 AND WAS IN
16 EFFECT THROUGH JUNE 30, 2000.

17 (2) To the extent appropriate to permit the administrator to
18 prepare for operation of this code AS IT EXISTED PRIOR TO THE
19 ENACTMENT OF HOUSE BILL 1185, AS ENACTED AT THE SECOND REGULAR
20 SESSION OF THE SIXTY-SECOND GENERAL ASSEMBLY, when it ~~takes~~ TOOK
21 effect and to act on applications for licenses to make supervised loans
22 under this code AS IT EXISTED PRIOR TO THE ENACTMENT OF HOUSE BILL
23 1185, AS ENACTED AT THE SECOND REGULAR SESSION OF THE
24 SIXTY-SECOND GENERAL ASSEMBLY, (subsection (1) of section 5-3-503),
25 the provisions on supervised loans (part 5) of the article on loans (article
26 3 of this title) and of the article on administration (article 6 of this title)

1 take TOOK effect on July 1, 1971 AND WERE IN EFFECT THROUGH JUNE 30,
2 2000.

3 (3) Transactions entered into before October 1, 1971, and the
4 rights, duties, and interests flowing from them thereafter, may be
5 terminated, completed, consummated, or enforced as required or
6 permitted by any statute, rule of law, or other law amended, repealed, or
7 modified by this code as though the repeal, amendment, or modification
8 had not occurred, but this code, AS IT EXISTED PRIOR TO THE ENACTMENT
9 OF HOUSE BILL 1185, AS ENACTED AT THE SECOND REGULAR SESSION THE
10 SIXTY-SECOND GENERAL ASSEMBLY, applies to:

11 (a) Refinancings, consolidations, and deferrals made on or after
12 October 1, 1971, AND BEFORE JULY 1, 2000, concerning sales, leases, and
13 loans whenever made;

14 (b) Sales or loans made on or after October 1, 1971, AND BEFORE
15 JULY 1, 2000, pursuant to revolving charge accounts (section 5-2-108)
16 and revolving loan accounts (section 5-3-108) entered into, arranged, or
17 contracted for before October 1, 1971; and

18 **SECTION 3.** 5-9-102, Colorado Revised Statutes, is amended to
19 read:

20 **5-9-102. Continuation of licensing.** Notwithstanding the repeal
21 and reenactment of articles 2 and 3 of chapter 73, C.R.S. 1963, by this
22 code, all persons licensed or otherwise authorized under the provisions of
23 articles 2 or 3 of chapter 73, C.R.S. 1963, immediately prior to October
24 1, 1971, are licensed to make supervised loans under this code AS IT
25 EXISTED PRIOR TO THE ENACTMENT OF HOUSE BILL 1185, AS ENACTED AT
26 THE SECOND REGULAR SESSION THE SIXTY-SECOND GENERAL ASSEMBLY,

1 pursuant to the provisions on supervised loans of the article on loans (part
2 5 of article 3 of this title) IN EFFECT ON AND AFTER OCTOBER 1, 1971 BUT
3 BEFORE JULY 1, 2000, and all provisions of said sections apply to the
4 persons so previously licensed or authorized. The administrator may, but
5 is not required to, deliver evidence of licensing to the persons so
6 previously licensed or authorized.

7 **SECTION 4.** Article 9 of title 5, Colorado Revised Statutes, is
8 amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS
9 to read:

10 **5-9-101.5 Time of taking effect - provisions for transition.**

11 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THIS CODE AS IT
12 EXISTS FOLLOWING THE REPEAL AND REENACTMENT CONTAINED IN HOUSE
13 BILL 1185, AS ENACTED AT THE SECOND REGULAR SESSION OF THE
14 SIXTY-SECOND GENERAL ASSEMBLY, TAKES EFFECT AT 12:01 A.M. ON JULY
15 1, 2000.

16 (2) TRANSACTIONS ENTERED INTO BEFORE JULY 1, 2000, AND THE
17 RIGHTS, DUTIES, AND INTERESTS FLOWING FROM THEM THEREAFTER, MAY
18 BE TERMINATED, COMPLETED, CONSUMMATED, OR ENFORCED AS REQUIRED
19 OR PERMITTED BY ANY STATUTE, RULE OF LAW, OR OTHER LAW AMENDED,
20 REPEALED, OR MODIFIED BY THIS CODE AS THOUGH THE REPEAL,
21 AMENDMENT, OR MODIFICATION HAD NOT OCCURRED, BUT THIS CODE
22 APPLIES TO:

23 (a) REFINANCINGS, CONSOLIDATIONS, AND DEFERRALS MADE ON OR
24 AFTER JULY 1, 2000, CONCERNING SALES, LEASES, AND LOANS WHENEVER
25 MADE;

26 (b) SALES OR LOANS MADE ON OR AFTER JULY 1, 2000, PURSUANT

1 TO REVOLVING CREDIT ENTERED INTO, ARRANGED, OR CONTRACTED FOR
2 BEFORE JULY 1, 2000; AND

3 (c) ALL CREDIT TRANSACTIONS MADE BEFORE JULY 1, 2000,
4 INSOFAR AS THE REMEDIES AND PENALTIES UNDER ARTICLE 5 OF THIS TITLE
5 LIMITS THE REMEDIES OF CREDITORS.

6 (3) WITH RESPECT TO REVOLVING CREDIT ACCOUNTS ENTERED
7 INTO, ARRANGED, OR CONTRACTED FOR BEFORE JULY 1, 2000, DISCLOSURE
8 PURSUANT TO SECTION 5-3-103 SHALL BE MADE NOT LATER THAN THIRTY
9 DAYS AFTER JULY 1, 2000.

10 **5-9-102.5 Continuation of licensing.** NOTWITHSTANDING THE
11 REPEAL AND REENACTMENT OF PART 5 OF ARTICLE 3 OF THIS TITLE BY
12 HOUSE BILL 1185, AS ENACTED AT THE SECOND REGULAR SESSION OF THE
13 SIXTY SECOND GENERAL ASSEMBLY, ALL PERSONS LICENSED OR OTHERWISE
14 AUTHORIZED UNDER THE PROVISIONS OF PART 5 OF ARTICLE 3
15 IMMEDIATELY PRIOR TO JULY 1, 2000, ARE LICENSED TO MAKE SUPERVISED
16 LOANS UNDER THIS CODE PURSUANT TO THE PROVISIONS ON SUPERVISED
17 LOANS CONTAINED IN PART 3 OF ARTICLE 2 OF THIS TITLE, AND ALL
18 PROVISIONS OF SAID PART 3 APPLY TO THE PERSONS SO PREVIOUSLY
19 LICENSED OR AUTHORIZED. THE ADMINISTRATOR MAY, BUT IS NOT
20 REQUIRED TO, DELIVER EVIDENCE OF LICENSING TO THE PERSONS SO
21 PREVIOUSLY LICENSED OR AUTHORIZED.

22 **SECTION 5. Effective date.** This act shall take effect July 1,
23 2000.

24 **SECTION 6. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.