

**First Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 11-0334.03 Bart Miller

**HOUSE BILL 11-1290**

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**HOUSE SPONSORSHIP**

**Liston and Riesberg,** Balmer, Casso, Gardner B., Holbert, Kerr J., Massey, Nikkel, Schafer S., Stephens, Swerdfeger

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**A BILL FOR AN ACT**

101 **CONCERNING THE NONREFUNDABILITY OF AN ORIGINATION FEE FOR A**  
102 **DEFERRED DEPOSIT LOAN.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill specifies that a lender may charge a nonrefundable origination fee deemed fully earned as of the date of a deferred deposit loan.

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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.*

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

2 **SECTION 1.** 5-3.1-105, Colorado Revised Statutes, is amended  
3 to read:

4 **5-3.1-105. Authorized interest rate.** A lender may charge a  
5 ~~finance charge for each deferred deposit loan or payday loan~~  
6 NONREFUNDABLE ORIGINATION FEE that may not exceed twenty percent  
7 of the first three hundred dollars loaned plus seven and one-half percent  
8 of any amount loaned in excess of three hundred dollars. ~~Such charge~~  
9 THE NONREFUNDABLE ORIGINATION FEE shall be deemed fully earned as  
10 of the date of the ~~transaction~~ LOAN. The lender may also charge an  
11 interest rate of forty-five percent per annum for each deferred deposit  
12 loan or payday loan. If the loan is prepaid prior to the maturity of the  
13 loan term, the lender shall refund to the consumer a prorated portion of  
14 the annual percentage rate based upon the ratio of time left before  
15 maturity to the loan term. In addition, the lender may charge a monthly  
16 maintenance fee for each outstanding deferred deposit loan, not to exceed  
17 seven dollars and fifty cents per one hundred dollars loaned, up to thirty  
18 dollars per month. The monthly maintenance fee may be charged for  
19 each month the loan is outstanding thirty days after the date of the  
20 original loan transaction. The lender shall charge only those charges  
21 authorized in this article in connection with a deferred deposit loan.

22 **SECTION 2. Effective date - applicability.** This act shall take  
23 effect upon passage and shall apply to deferred deposit loans on or after  
24 said date.

25 **SECTION 3. Safety clause.** The general assembly hereby finds,  
26 determines, and declares that this act is necessary for the immediate  
27 preservation of the public peace, health, and safety.