

## **DOCC Notification Filing** **By ADR Staff**

Dealerships who regularly engage in consumer credit sales of motor vehicles are required by Oklahoma law to submit a Notification Filing to the Oklahoma Department of Consumer Credit (DOCC) within 30 days after commencing business. Thereafter, an annual notification renewal filing must be completed and submitted to the DOCC before the last day of January each year. Related finance companies (RFCs) who receive assignment of credit sale or lease contracts are similarly required to annually submit Notification Filings.

Initial Notification Filings and annual renewals must be submitted for each business location and be accompanied by the current fee (\$120 in 2016). That means, dealers who offer credit sales at multiple dealership lots must submit the Notification Filing for each and every lot. In addition, if the dealer has established an RFC, that RFC must also submit a Notification Filing for its business location.

The filing application and renewal may be accomplished by contacting the DOCC at 405-521-3653 for an application packet, or by downloading from links on the website at [https://www.ok.gov/okdocc/Licenses\\_We\\_Regulate/Notification\\_Filing/index.html](https://www.ok.gov/okdocc/Licenses_We_Regulate/Notification_Filing/index.html). Complete the application following the guidelines enclosed in the packet. Submit the application or renewal, including supporting documentation and proper fee, to the DOCC. The filing is valid for one year, beginning on February 1. For a renewal, submit the renewal form with appropriate fees to the DOCC before January 31 each year.

Be sure to use the most current forms because they have recently changed. The application form was revised 8/23/2016. The current renewal form indicates '2017' in the heading.

Failure to submit Notification Filings can subject the dealership and/or RFC to fines as high as \$5,000 per location.

As a reminder, it is important to distinguish between "credit sales" and "loans" when addressing DOCC issues. Dealers who arrange vehicle sale financing and their RFCs are generally considered to be "creditors" who are engaging in "consumer credit sales." They are generally not considered "lenders" or "supervised lenders" who are offering "loans." For dealers, a "credit sale" is the sale of a vehicle in which credit is granted by a dealer and the debt is payable in installments or a credit service charge is imposed. In contrast, a "loan" is the creation of debt by the lender's payment of money to the debtor or to a third party for the account of the debtor. The distinction is important because creditors and lenders are subject to different rules on licensing, reporting, and finance charges. For example, a creditor may impose a credit service charge of up to 21% per year on the unpaid balances of the amount financed on a non-tiered rate. A non-supervised lender is restricted to a maximum 10% loan finance charge while a supervised lender may charge up to 25% on a non-tiered rate. For licensing, a dealer creditor is only required to submit the Notification Filing along with the \$120 fee. A supervised lender is subject to a \$425 investigation fee, a \$500 annual examination fee, a \$290 annual license fee and is required to submit an Annual Report summarizing consumer loan activity for the institution.