

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 24-0731.01 Josh Schultz x5486

**HOUSE BILL 24-1148**

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**HOUSE SPONSORSHIP**

**Weissman and Mabrey,**

**SENATE SPONSORSHIP**

**Gonzales,**

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**House Committees**  
Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING A MORE INCLUSIVE CALCULATION OF THE FINANCE**  
102              **CHARGE APPLICABLE TO CERTAIN CONSUMER LENDING**  
103              **TRANSACTIONS, AND, IN CONNECTION THEREWITH, REQUIRING**  
104              **A MORE ACCURATE DISCLOSURE OF THE COST OF CREDIT FOR**  
105              **CERTAIN LOANS.**

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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://leg.colorado.gov>.)*

The bill amends the Colorado "Uniform Consumer Credit Code"

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

HOUSE  
Amended 2nd Reading  
March 26, 2024

to change the terms and interest rates a nondepository institution may charge in a consumer credit transaction.

For a consumer credit transaction in which a nondepository institution makes a supervised loan or a consumer credit sale, the bill amends the calculation of the total amount of the finance charge that the nondepository institution may contract for and receive to include the total cost of specific additional charges.

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

2           **SECTION 1.** In Colorado Revised Statutes, 5-1-301, **add** (29.5)  
3 as follows:

4           **5-1-301. General definitions.** In addition to definitions appearing  
5 in subsequent articles, as used in this code, unless the context otherwise  
6 requires:

7           (29.5) "NONDEPOSITORY INSTITUTION" MEANS A SUPERVISED  
8 LENDER OR SELLER THAT IS NOT A SUPERVISED FINANCIAL ORGANIZATION.

9           **SECTION 2.** In Colorado Revised Statutes, 5-2-201, **amend** (2)  
10 introductory portion and (3)(a); and **add** (3.1), (3.3), and (3.5) as follows:

11           **5-2-201. Finance charge for consumer credit transactions.**

12 (2) With respect to a supervised loan or a consumer credit sale, except  
13 for a loan or sale pursuant to a revolving account OR FOR A LOAN OR A  
14 CONSUMER CREDIT SALE MADE BY A NONDEPOSITORY INSTITUTION, a  
15 supervised lender or seller may contract for and receive a finance charge,  
16 calculated according to the actuarial method, not exceeding the equivalent  
17 of the greater of either of the following:

18           (3) (a) Except as provided in ~~paragraph (b) of this subsection~~ (3)  
19 SUBSECTION (3)(b) OF THIS SECTION, OR FOR A LOAN OR A CONSUMER  
20 CREDIT SALE MADE BY A NONDEPOSITORY INSTITUTION, the finance charge  
21 for a supervised loan or consumer credit sale pursuant to a revolving

1 credit account, calculated according to the actuarial method, may not  
2 exceed twenty-one percent per year on the unpaid balance of the amount  
3 financed.

4 (3.1) WITH RESPECT TO A SUPERVISED LOAN OR A CONSUMER  
5 CREDIT SALE MADE BY A NONDEPOSITORY INSTITUTION, EXCEPT AS SET  
6 FORTH IN SUBSECTION (3.3) OF THIS SECTION WITH RESPECT TO A  
7 SUPERVISED LOAN OR CONSUMER CREDIT SALE MADE PURSUANT TO A  
8 REVOLVING CREDIT ACCOUNT, A SUPERVISED LENDER OR SELLER MAY  
9 CONTRACT FOR AND RECEIVE A FINANCE CHARGE. THE AMOUNT OF THE  
10 FINANCE CHARGE, CALCULATED ACCORDING TO THE ACTUARIAL METHOD,  
11 MUST NOT EXCEED THE EQUIVALENT OF THE GREATER OF EITHER OF THE  
12 FOLLOWING:

13 (a) AN AMOUNT EQUAL TO THE TOTAL OF THE FOLLOWING, MINUS  
14 THE TOTAL COST OF ALL ADDITIONAL CHARGES LISTED IN SUBSECTION  
15 (3.5) OF THIS SECTION:

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

19 (II) TWENTY-ONE PERCENT PER YEAR ON THAT PART OF THE  
20 UNPAID BALANCES OF THE AMOUNT FINANCED THAT IS MORE THAN ONE  
21 THOUSAND DOLLARS BUT DOES NOT EXCEED THREE THOUSAND DOLLARS;  
22 AND

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

26 (b) AN AMOUNT EQUAL TO TWENTY-ONE PERCENT PER YEAR ON  
27 THE UNPAID BALANCES OF THE AMOUNT FINANCED, MINUS THE TOTAL

1 COST OF ALL ADDITIONAL CHARGES LISTED IN SUBSECTION (3.5) OF THIS  
2 SECTION.

3 (3.3) (a) EXCEPT AS PROVIDED IN SUBSECTION (3.3)(b) OF THIS  
4 SECTION, THE TOTAL AMOUNT OF THE FINANCE CHARGE FOR A SUPERVISED  
5 LOAN OR CONSUMER CREDIT SALE PURSUANT TO A REVOLVING CREDIT  
6 ACCOUNT, CALCULATED ACCORDING TO THE ACTUARIAL METHOD, MAY  
7 NOT EXCEED TWENTY-ONE PERCENT PER YEAR ON THE UNPAID BALANCE  
8 OF THE AMOUNT FINANCED, MINUS THE TOTAL COST OF ALL ADDITIONAL  
9 CHARGES LISTED IN SUBSECTION (3.5) OF THIS SECTION.

10 (b) NOTWITHSTANDING SUBSECTION (3.3)(a) OF THIS SECTION, IF  
11 THERE IS AN UNPAID BALANCE ON THE DATE ON WHICH THE FINANCE  
12 CHARGE IS APPLIED, THE CREDITOR MAY CONTRACT FOR AND RECEIVE A  
13 MINIMUM FINANCE CHARGE NOT EXCEEDING FIFTY CENTS.

14 (3.5) IF A SUPERVISED LENDER OR SELLER THAT IS A  
15 NONDEPOSITORY INSTITUTION CONTRACTS FOR CHARGES FOR OTHER  
16 BENEFITS CONFERRED ON THE CONSUMER AS DESCRIBED IN SECTION  
17 5-2-202 (1)(d), THE TOTAL AMOUNT OF ALL OF THE CHARGES MUST BE  
18 INCLUDED IN THE CALCULATION OF THE FINANCE CHARGE PURSUANT TO  
19 SUBSECTION (3.1) OR (3.3) OF THIS SECTION.

20 **SECTION 3.** In Colorado Revised Statutes, 5-2-202, **amend** (1)  
21 introductory portion and (1)(d); and **repeal** (1)(b), (1)(c.5), (1)(c.7), and  
22 (3) as follows:

23 **5-2-202. Additional charges.** (1) SUBJECT TO THE PROVISIONS OF  
24 SECTION 5-2-201 (3.5), in addition to the finance charge permitted by this  
25 article 2 and in a consumer lease, a creditor may contract for and receive  
26 the following additional charges in connection with a consumer credit  
27 transaction:

1 (b) Charges for insurance as described in subsection (3) of this  
2 section;

3 (c.5) Charges for debt cancellation contracts or debt suspension  
4 contracts offered in compliance with 12 CFR 37 or 12 CFR 721 or other  
5 federal law;

6 (c.7) Charges for guaranteed asset protection agreements, as  
7 defined in section 5-9.3-103 (4), offered in compliance with article 9.3 of  
8 this title 5;

9 (d) Charges for other benefits conferred on the consumer  
10 including insurance, if the benefits are of value to the consumer and if the  
11 charges are reasonable in relation to the benefits, are of a type that is not  
12 for credit, and are authorized as permissible additional charges by rule  
13 adopted by the administrator, INCLUDING:

14 (I) INSURANCE WRITTEN IN CONNECTION WITH THE TRANSACTION,  
15 OTHER THAN INSURANCE PROTECTING THE CREDITOR AGAINST THE  
16 CONSUMER'S DEFAULT OR OTHER CREDIT LOSS, IF:

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

23 (B) WITH RESPECT TO CONSUMER CREDIT INSURANCE PROVIDING  
24 LIFE, ACCIDENT, OR HEALTH COVERAGE, THE INSURANCE COVERAGE IS NOT  
25 A FACTOR IN THE APPROVAL BY THE CREDITOR OF THE EXTENSION OF  
26 CREDIT AND THIS FACT IS CLEARLY DISCLOSED IN WRITING TO THE  
27 CONSUMER AND IF, IN ORDER TO OBTAIN THE INSURANCE IN CONNECTION

1 WITH THE EXTENSION OF CREDIT, THE CONSUMER GIVES SPECIFIC  
2 AFFIRMATIVE WRITTEN INDICATION OF THE CONSUMER'S DESIRE TO DO SO  
3 AFTER WRITTEN DISCLOSURE TO THE CONSUMER OF THE COST OF THE  
4 INSURANCE;

5 (II) CHARGES FOR DEBT CANCELLATION CONTRACTS OR DEBT  
6 SUSPENSION CONTRACTS OFFERED IN COMPLIANCE WITH 12 CFR 37 OR 12  
7 CFR 721 OR OTHER FEDERAL LAW;

8 (III) CHARGES FOR GUARANTEED ASSET PROTECTION  
9 AGREEMENTS, AS DEFINED IN SECTION 5-9.3-101 (4), OFFERED IN  
10 COMPLIANCE WITH ARTICLE 9.3 OF THIS TITLE 5;

11 (IV) FOR INSURANCE NOT COVERED UNDER SUBSECTION (1)(d)(I)  
12 OF THIS SECTION, ANY CREDIT INSURANCE PREMIUM OR FEE, ANY CHARGE  
13 FOR SINGLE PREMIUM CREDIT INSURANCE, ANY FEE FOR A DEBT  
14 CANCELLATION CONTRACT, OR ANY FEE FOR A DEBT SUSPENSION  
15 AGREEMENT; AND

16 (V) ANY FEE FOR A CREDIT-RELATED ANCILLARY PRODUCT SOLD  
17 IN CONNECTION WITH THE CREDIT TRANSACTION; AND

18 (3) ~~An additional charge may be made for insurance written in~~  
19 ~~connection with the transaction, other than insurance protecting the~~  
20 ~~creditor against the consumer's default or other credit loss, if:~~

21 (a) ~~With respect to insurance against loss of or damage to property~~  
22 ~~or against liability, the creditor furnishes a clear and specific statement in~~  
23 ~~writing to the consumer setting forth the cost of the insurance if obtained~~  
24 ~~from or through the creditor and stating that the consumer may choose the~~  
25 ~~person through whom the insurance is to be obtained; and~~

26 (b) ~~With respect to consumer credit insurance providing life,~~  
27 ~~accident, or health coverage, the insurance coverage is not a factor in the~~

1 approval by the creditor of the extension of credit and this fact is clearly  
2 disclosed in writing to the consumer and if, in order to obtain the  
3 insurance in connection with the extension of credit, the consumer gives  
4 specific affirmative written indication of the consumer's desire to do so  
5 after written disclosure to the consumer of the cost thereof.

6 **SECTION 4.** In Colorado Revised Statutes, 5-6-104, **amend** (2)  
7 as follows:

8 **5-6-104. Powers of administrator - harmony with federal**  
9 **regulations - reliance on rules.** (2) The administrator may adopt rules  
10 not inconsistent with the federal "Truth in Lending Act" and federal  
11 "Consumer Leasing Act" to assure a meaningful disclosure of credit terms  
12 so that a prospective consumer will be able to compare more readily the  
13 various credit terms available to ~~him or her~~ THE CONSUMER and to avoid  
14 the uninformed use of credit. Such rules ~~shall supersede any provisions~~  
15 ~~of this code that are inconsistent with the federal "Truth in Lending Act"~~  
16 ~~and federal "Consumer Leasing Act"~~, may contain classifications,  
17 differentiations, or other provisions and may provide for adjustments and  
18 exceptions for any class of transactions subject to this code that, in the  
19 judgment of the administrator, are necessary or proper to effectuate the  
20 purposes of, or to prevent circumvention or evasion of, or to facilitate  
21 compliance with, the provisions of this code relating to disclosure of  
22 credit terms.

23 **SECTION 5. Act subject to petition - effective date.** This act  
24 takes effect at 12:01 a.m. on the day following the expiration of the  
25 ninety-day period after final adjournment of the general assembly; except  
26 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
27 of the state constitution against this act or an item, section, or part of this

1 act within such period, then the act, item, section, or part will not take  
2 effect unless approved by the people at the general election to be held in  
3 November 2024 and, in such case, will take effect on the date of the  
4 official declaration of the vote thereon by the governor.