

## CHAPTER 85

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**CONSUMER AND COMMERCIAL TRANSACTIONS**

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HOUSE BILL 96-1356

BY REPRESENTATIVES Tool, Martin, Adkins, Agler, Morrison, and Musgrave;  
also SENATOR Matsunaka.**AN ACT****CONCERNING THE EXAMINATION OF BUSINESS RECORDS UNDER THE "UNIFORM CONSUMER CREDIT CODE" AS IT RELATES TO LOANS.***Be it enacted by the General Assembly of the State of Colorado:***SECTION 1.** 5-3-506 (1), (2), and (3), Colorado Revised Statutes, 1992 Repl. Vol., are amended to read:

**5-3-506. Examinations and investigations.** (1) The administrator shall examine periodically, at intervals ~~he~~ THE ADMINISTRATOR deems appropriate, ~~but at least once every year;~~ the loans, business, and records of every licensee. In addition, for the purpose of discovering violations of this code or securing information lawfully required, the administrator or, in lieu thereof, the official or agency to whose supervision the organization is subject (section 5-6-105), may at any time investigate the loans, business, and records of any supervised lender or any supervised financial organization. For these purposes ~~he~~ THE ADMINISTRATOR shall have free and reasonable access to the offices, places of business, and records of the lender.

(2) (a) If the lender's records are located outside this state, the lender shall, at ~~his~~ THE LENDER'S option, either make them available to the administrator at a convenient location within this state, or pay the reasonable and necessary expenses for the administrator or his OR HER representative to examine them at the place where they are maintained; EXCEPT THAT THE LENDER SHALL MAKE THE RECORDS AVAILABLE FOR EXAMINATION AT THE ADMINISTRATOR'S OFFICE OR AT ANY OTHER LOCATION THE ADMINISTRATOR DEEMS APPROPRIATE, AT THE COST OF THE LENDER, IF THE ADMINISTRATOR DETERMINES THAT THE EXAMINATION OF THE RECORDS AT THE LOCATION WHERE THE RECORDS ARE MAINTAINED ENDANGERS THE SAFETY OF THE EXAMINER OR THAT THERE ARE NOT ADEQUATE FACILITIES AT THE LOCATION WHERE

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

THE RECORDS ARE MAINTAINED TO CONDUCT THE EXAMINATION. The administrator may designate representatives, including comparable officials of the state in which the records are located, to inspect them on his OR HER behalf.

(b) THE ADMINISTRATOR MAY REQUIRE ANY LENDER WHOSE RECORDS ARE LOCATED WITHIN THE STATE TO MAKE ITS RECORDS AVAILABLE FOR EXAMINATION AT THE ADMINISTRATOR'S OFFICE OR AT ANY OTHER LOCATION THE ADMINISTRATOR DEEMS APPROPRIATE, AT THE COST OF THE LENDER, IF THE ADMINISTRATOR DETERMINES THAT THE EXAMINATION OF THE RECORDS AT THE LOCATION WHERE THE RECORDS ARE MAINTAINED ENDANGERS THE SAFETY OF THE EXAMINER OR THAT THERE ARE NOT ADEQUATE FACILITIES AT THE LOCATION WHERE THE RECORDS ARE MAINTAINED TO CONDUCT THE EXAMINATION.

(3) For the purposes of this section, the administrator may administer oaths or affirmations, and upon ~~his~~ THE ADMINISTRATOR'S own motion or upon request of any party may subpoena witnesses, compel their attendance, adduce evidence, and require the production of any matter ~~which~~ THAT is relevant to the investigation, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of relevant facts, or any other matter reasonably calculated to lead to the discovery of admissible evidence.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 16, 1996