

HOUSE FLOOR AMENDMENT

Second Reading

BY REPRESENTATIVE Weissman

1 Amend the Finance Committee Report, dated February 26, 2024, page 1,
2 strike lines 19 and 20 and substitute:

3 "Page 4 of the printed bill, strike lines 24 through 27 and substitute:

4 "(3.5) IF A SUPERVISED LENDER OR SELLER THAT IS A
5 NONDEPOSITORY INSTITUTION CONTRACTS FOR CHARGES FOR OTHER
6 BENEFITS CONFERRED ON THE CONSUMER AS DESCRIBED IN SECTION
7 5-2-202 (1)(d), THE TOTAL AMOUNT OF ALL OF THE CHARGES MUST BE
8 INCLUDED IN THE CALCULATION OF THE FINANCE CHARGE PURSUANT TO
9 SUBSECTION (3.1) OR (3.3) OF THIS SECTION."

10 Page 5 of the bill, strike lines 1 through 12.

11 Page 5 of the bill, line 14, strike "portion" and substitute "portion and
12 (1)(d); and **repeal** (1)(b), (1)(c.5), (1)(c.7), and (3)".

13 Page 5 of the bill, after line 19 insert:

14 ~~"(b) Charges for insurance as described in subsection (3) of this
15 section;~~

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

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

22 (d) Charges for other benefits conferred on the consumer
23 ~~including insurance~~, if the benefits are of value to the consumer and if the
24 charges are reasonable in relation to the benefits, are of a type that is not
25 for credit, and are authorized as permissible additional charges by rule
26 adopted by the administrator, INCLUDING:

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

30 (A) WITH RESPECT TO INSURANCE AGAINST LOSS OF OR DAMAGE
31 TO PROPERTY OR AGAINST LIABILITY, THE CREDITOR FURNISHES A CLEAR
32 AND SPECIFIC STATEMENT IN WRITING TO THE CONSUMER SETTING FORTH
33 THE COST OF THE INSURANCE IF OBTAINED FROM OR THROUGH THE
34 CREDITOR AND STATING THAT THE CONSUMER MAY CHOOSE THE PERSON
35 THROUGH WHOM THE INSURANCE IS TO BE OBTAINED; AND

1 (B) WITH RESPECT TO CONSUMER CREDIT INSURANCE PROVIDING
2 LIFE, ACCIDENT, OR HEALTH COVERAGE, THE INSURANCE COVERAGE IS NOT
3 A FACTOR IN THE APPROVAL BY THE CREDITOR OF THE EXTENSION OF
4 CREDIT AND THIS FACT IS CLEARLY DISCLOSED IN WRITING TO THE
5 CONSUMER AND IF, IN ORDER TO OBTAIN THE INSURANCE IN CONNECTION
6 WITH THE EXTENSION OF CREDIT, THE CONSUMER GIVES SPECIFIC
7 AFFIRMATIVE WRITTEN INDICATION OF THE CONSUMER'S DESIRE TO DO SO
8 AFTER WRITTEN DISCLOSURE TO THE CONSUMER OF THE COST OF THE
9 INSURANCE;

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

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

16 (IV) FOR INSURANCE NOT COVERED UNDER SUBSECTION (1)(d)(I)
17 OF THIS SECTION, ANY CREDIT INSURANCE PREMIUM OR FEE, ANY CHARGE
18 FOR SINGLE PREMIUM CREDIT INSURANCE, ANY FEE FOR A DEBT
19 CANCELLATION CONTRACT, OR ANY FEE FOR A DEBT SUSPENSION
20 AGREEMENT; AND

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

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

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

31 ~~(b) With respect to consumer credit insurance providing life,~~
32 ~~accident, or health coverage, the insurance coverage is not a factor in the~~
33 ~~approval by the creditor of the extension of credit and this fact is clearly~~
34 ~~disclosed in writing to the consumer and if, in order to obtain the~~
35 ~~insurance in connection with the extension of credit, the consumer gives~~
36 ~~specific affirmative written indication of the consumer's desire to do so~~
37 ~~after written disclosure to the consumer of the cost thereof.~~

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

40 **5-6-104. Powers of administrator - harmony with federal**
41 **regulations - reliance on rules.** (2) The administrator may adopt rules
42 ~~not inconsistent with the federal "Truth in Lending Act" and federal~~
43 ~~"Consumer Leasing Act" to assure a meaningful disclosure of credit terms~~

1 so that a prospective consumer will be able to compare more readily the
2 various credit terms available to ~~him or her~~ THE CONSUMER and to avoid
3 the uninformed use of credit. Such rules ~~shall supersede any provisions~~
4 ~~of this code that are inconsistent with the federal "Truth in Lending Act"~~
5 ~~and federal "Consumer Leasing Act"~~, may contain classifications,
6 differentiations, or other provisions and may provide for adjustments and
7 exceptions for any class of transactions subject to this code that, in the
8 judgment of the administrator, are necessary or proper to effectuate the
9 purposes of, or to prevent circumvention or evasion of, or to facilitate
10 compliance with, the provisions of this code relating to disclosure of
11 credit terms."."

12 Renumber succeeding section accordingly.

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