

2023 ANNUAL REPORT



DEPARTMENT OF CONSUMER CREDIT
STATE OF OKLAHOMA

CONTENTS

ADMINISTRATOR'S ACKNOWLEDGEMENTS _____	2
MISSION STATEMENT _____	3
ADMINISTRATOR'S REPORT _____	4
COMMISSION ON CONSUMER CREDIT _____	9
DEPARTMENT STAFF _____	10
ORGANIZATIONAL STRUCTURE _____	11
LICENSING STATISTICS _____	12
COMMISSION MEETING MINUTES _____	14

Scott Leshner
Administrator

Ruben Tornini
Deputy Administrator



J. Kevin Stitt
Governor

Matt Pinnell
Lt. Governor

STATE OF OKLAHOMA
DEPARTMENT OF CONSUMER CREDIT

December 15, 2023

The Honorable J. Kevin Stitt
Governor, State of Oklahoma
2300 N. Lincoln Blvd., Room 212
Oklahoma City, Oklahoma 73105

The Honorable Greg Treat
President Pro Tempore Oklahoma State Senate
2300 N. Lincoln Blvd., Room 422
Oklahoma City, Oklahoma 73105

The Honorable Charles McCall
Speaker of the Oklahoma House of Representatives
2300 N. Lincoln Blvd., Room 401
Oklahoma City, Oklahoma 73105

Dear Governor Stitt, President Pro Tempore Treat and Speaker McCall:

On behalf of the Oklahoma Commission on Consumer Credit and the staff, we are pleased to submit the 2023 Annual Report for the Oklahoma Department of Consumer Credit and the Oklahoma Commission on Consumer Credit. This report contains information regarding the activities of the Department, the Commission, and the industries licensed and regulated by the Department.

Thanks to the leadership and foresight of our Governor and Legislature, our Department continues its mission as a non-appropriated agency because our industries recognize they should pay for their enforcement themselves instead of relying on state dollars.

We are proud of our accomplishments and look forward to working with the industries we regulate and most importantly, the Oklahoma consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Leshner".

Scott Leshner
Administrator

Scott Lesher
Administrator
Email: slesher@okdocc.ok.gov
Telephone: (405)-521-3653

Department of Consumer Credit
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Telephone: (405)-521-3653 · Fax: (405)-521-6740
Statewide Consumer Line: (800)-448-4904
Website: <http://www.ok.gov/okdocc>

MISSION STATEMENT



We protect and educate consumer buyers, lessees and borrowers against unfair practices, and are fair and impartial in the regulation of consumer credit transactions in Oklahoma.

ADMINISTRATOR’S REPORT



The Administrator's report includes information pursuant to Title 14A O.S. § 6-104 (5), and is expanded to include other responsibilities and accomplishments of the Department of Consumer Credit.

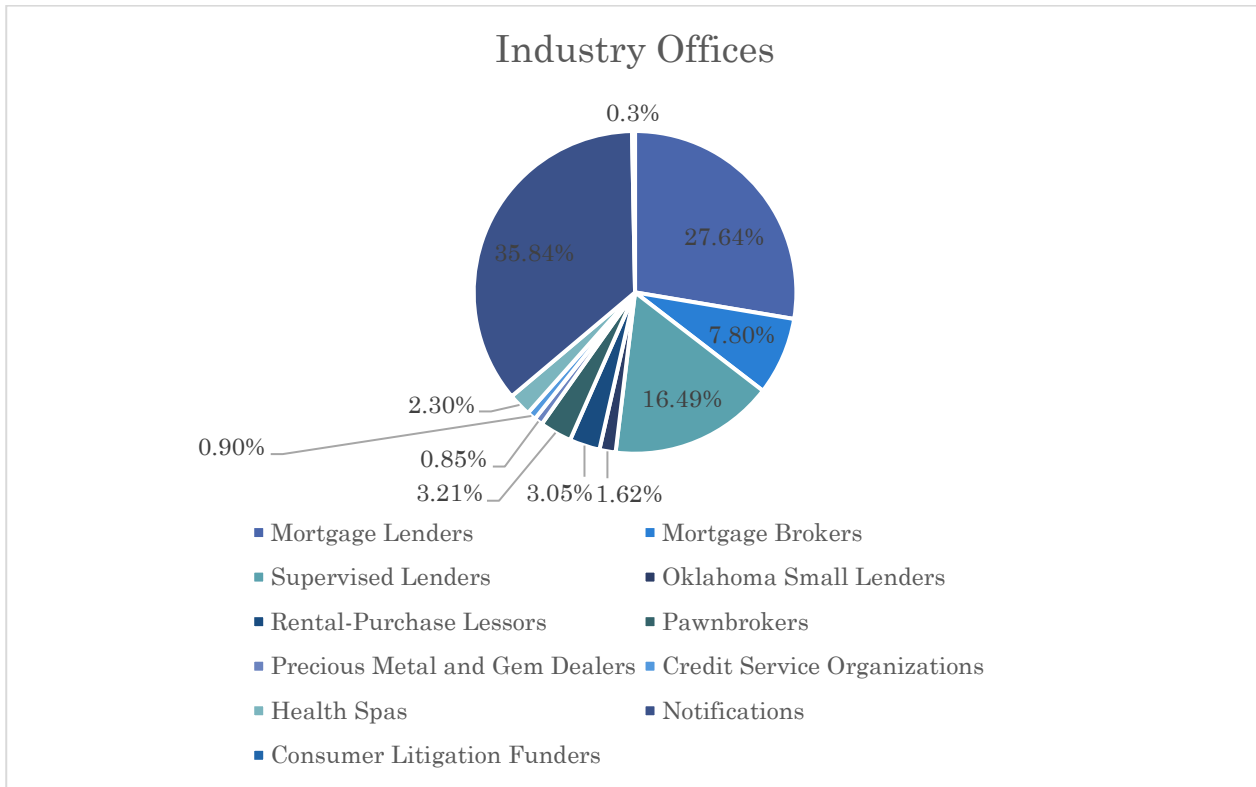
The Department of Consumer Credit annually licenses or registers over 17,218 credit-related organizations including mortgage lenders, mortgage brokers, mortgage loan originators, supervised lenders, Oklahoma small lenders, rental-purchase lessors, pawnbrokers, precious metal and gem dealers and employees, credit service organizations, health spas, consumer litigation funders, and notifications in relation to acceptance companies and businesses that finance goods and services for Oklahoma consumers.

There are 7,573 licensee offices which are subject to periodic investigation or examination. The table and chart below includes the number and percentages of those offices.

Table-Industry office numbers & percentages

Industry	Offices	% of total
Mortgage Lenders	2,093	27.64%
Mortgage Brokers	591	7.80%
Supervised Lenders	1,249	16.49%
Oklahoma Small Lenders	123	1.62%
Rental-Purchase Lessors	231	3.05%
Pawnbrokers	243	3.21%
Precious Metal and Gem Dealers	64	0.85%
Credit Service Organizations	68	0.90%
Health Spas	174	2.30%
Notifications	2,714	35.841%
Consumer Litigation Funders	23	0.3%
Total	7,573	

Chart-Regulated Industry office percentages



During the year, the Department has made significant improvements that will benefit Oklahoma consumers and licensees.

A partial listing of accomplishments this year includes:

- During FY23, the Department processed 132 formal consumer complaints, resulting in \$16,372.83 in refunds to consumers.
- The Department continues to upgrade and add to our website to effectively serve and educate consumers and licensees.
- Working with OMES, the Department has contracted for a website overhaul to be completed within the next twelve months.
- The Department continued improvements to our newly adopted remote examination procedures and as a result has recognized significant savings in travel costs to the Department as well as our licensees.
- The Department continues to adhere to the practices outlined in the Energy Efficiency and Conservation Plan created in FY10 in response to Senate Bill 833.
- The Department has continued to develop and refine the examination procedures for the Oklahoma Small Lenders (OSL) license, which replaced the Deferred Deposit Lender license.

- The Department continues to improve in developing model examinations in all areas of enforcement to operate more efficiently.
- The Department continues to improve upon its recently released online application and renewal processes to increase efficiency and ease of use for licensees.
- The Department was actively involved in Multi-State Mortgage examination activity through CSBS and AARMR and entered into regulatory enforcement actions as a result of this participation.
- The Department had one (1) Consumer Credit Examiner obtain their Certified Mortgage Examiner (CME) certification through CSBS. This brings the total number of examiners that have obtained their Certified Mortgage Examiner (CME) certification to five (5), the total number of examiners that have obtained their Certified Senior Mortgage Examiner (CSME) certification to seven (7) and the total number of examiners that have obtained their Certified Mortgage Examinations Manager (CMEM) certification to three (3).
- Working with OMES, the Department has selected Thentia as its new database provider and is in the process of upgrading its database from the outdated Microsoft Access platform. This process requires the Department to convert all data so that it is readable and searchable by the new database.
- The Department has been working closely with Thentia to deliver a stable and tested product that meets the needs of the State and Department licensees.
- Successfully implemented the requirements of Senate Bill 1691 regarding criminal background determinations by including the required information on Department Applications, the Department website, and in this Annual Report.

EXAMINATION AND INVESTIGATION POLICIES AND PROCEDURES

Examinations

The Department's Chief Consumer Credit Examiner is responsible for scheduling examinations. Once an examination is completed, an examiner prepares an examination report that is reviewed by the Chief Consumer Credit Examiner. After the exam report is reviewed, it is sent to the address of record of the licensee. The licensee has twenty (20) days to either correct the examination errors or demonstrate the alleged errors did not occur. If a licensee does not correct the examination errors or demonstrate that the errors did not occur within the required period of time, the examination report is referred to the Department's Chief Enforcement Attorney for consideration of enforcement proceeding.

Complaints

Persons submitting complaints are required to submit a written explanation of their complaint along with any appropriate supporting documentation. Complaints are handled by the Consumer Outreach Coordinator, and when necessary, assigned to Consumer Credit Examiners for resolution. The Consumer Outreach Coordinator, or the Consumer Credit Examiners review the complaint and supporting documentation to determine if the Department has jurisdiction concerning the complaint

or to determine if there is a basis for the complaint.

If there is a basis for the complaint, a copy of the complaint is sent to the licensee for a response within twenty (20) days. If the matter is not resolved within the required period of time or if the licensee does not respond to the complaint, the complaint may be referred to the Department's Chief Enforcement Attorney for consideration of an enforcement action.

THE USE OF CONSUMER CREDIT IN THE STATE OF OKLAHOMA

There were no significant changes in the use of consumer credit in the State of Oklahoma during the previous fiscal year. Consumer loans and consumer credit sales continue to be readily available to Oklahoma consumers.

CONSUMER CREDIT PROBLEMS OF CREDITORS AND DEBTORS

Most creditors licensed by the Department follow the requirements of the Uniform Consumer Credit Code or the other statutes the Department enforces. If a compliance issue arises, most creditors licensed by the Department take appropriate steps to correct the issue after notification by the Department.

An area of ongoing concern is the borrowing of money from unlicensed Internet creditors. Many unlicensed creditors typically do not follow Oklahoma law regarding loans. Numerous unlicensed creditors operating *via* the Internet also claim affiliation with various Native American tribes and invoke the legal doctrine of sovereign immunity to evade state licensing and regulatory requirements.

COMPLIANCE WITH THE TRUTH IN LENDING ACT AND REGULATION Z

Oklahoma continues to maintain its exemption from federal enforcement of the disclosure provisions of the Federal Truth in Lending Act. In order to maintain the enforcement exemption, the Oklahoma Legislature passed House Bill 3346 during the 2014 legislative session, which became effective July 1, 2014. House Bill 3346 amends the Uniform Consumer Credit Code to authorize the Administrator to enforce the disclosure provisions of the Federal Consumer Credit Protection Act. The amendments made by House Bill 3346 to the Uniform Consumer Credit Code require creditors to provide the consumer credit disclosures required by the Federal Consumer Credit Protection Act.

ENFORCEMENT REPORT OF THE DEPARTMENT OF CONSUMER CREDIT – JULY 1, 2022 – JUNE 30, 2023

The Department reports the following during fiscal year 2023 (FY23):

<i>Enforcement FY23</i>	Filed	Action	Total Amount
<i>Cease and Desist Orders</i>	0	Cease and Desist	None
<i>Administrative Orders</i>	17	Civil Penalty	\$15,500.00
<i>License Apps. Denied</i>	0	Denial	None

LEGISLATIVE RECOMMENDATIONS

The Department currently has no plans to introduce legislation in the upcoming legislative session.

COMMISSION ON CONSUMER CREDIT



Chairman
Bob Moses

Vice-Chairman
Joe Wilbanks

Commissioners
Barry Anderson

Shari Martin

Blake Hollingsworth

Marcel Walther

Rodney Owens

Tim Morris

Alfredo Madrid

Ex-Officio Commissioner
Mick Thompson

DEPARTMENT STAFF

EXECUTIVE

Administrator
Scott Leshner

Deputy Administrator
Ruben Tornini

ADMINISTRATIVE

Assistant Deputy
Administrator/Chief of Staff
Roberta (Bert) Hale

Chief of Licensing
Vanessa Todd

Operations Coordinator
Steve Glasgow

Executive Assistant
Stefanie Ashurst

Administrative Programs Officer
Jen Word

Administrative Assistants
Sherry Allen
Vanessa Smith

LEGAL

Assistant Deputy
Administrator/General Counsel
J. Steven Coates

Chief Enforcement Attorney
John Coyne

Legal APO
Anissa Campbell

Investigators
Jimmie Ray
Michael Thompson

EXAMINATIONS - LICENSING

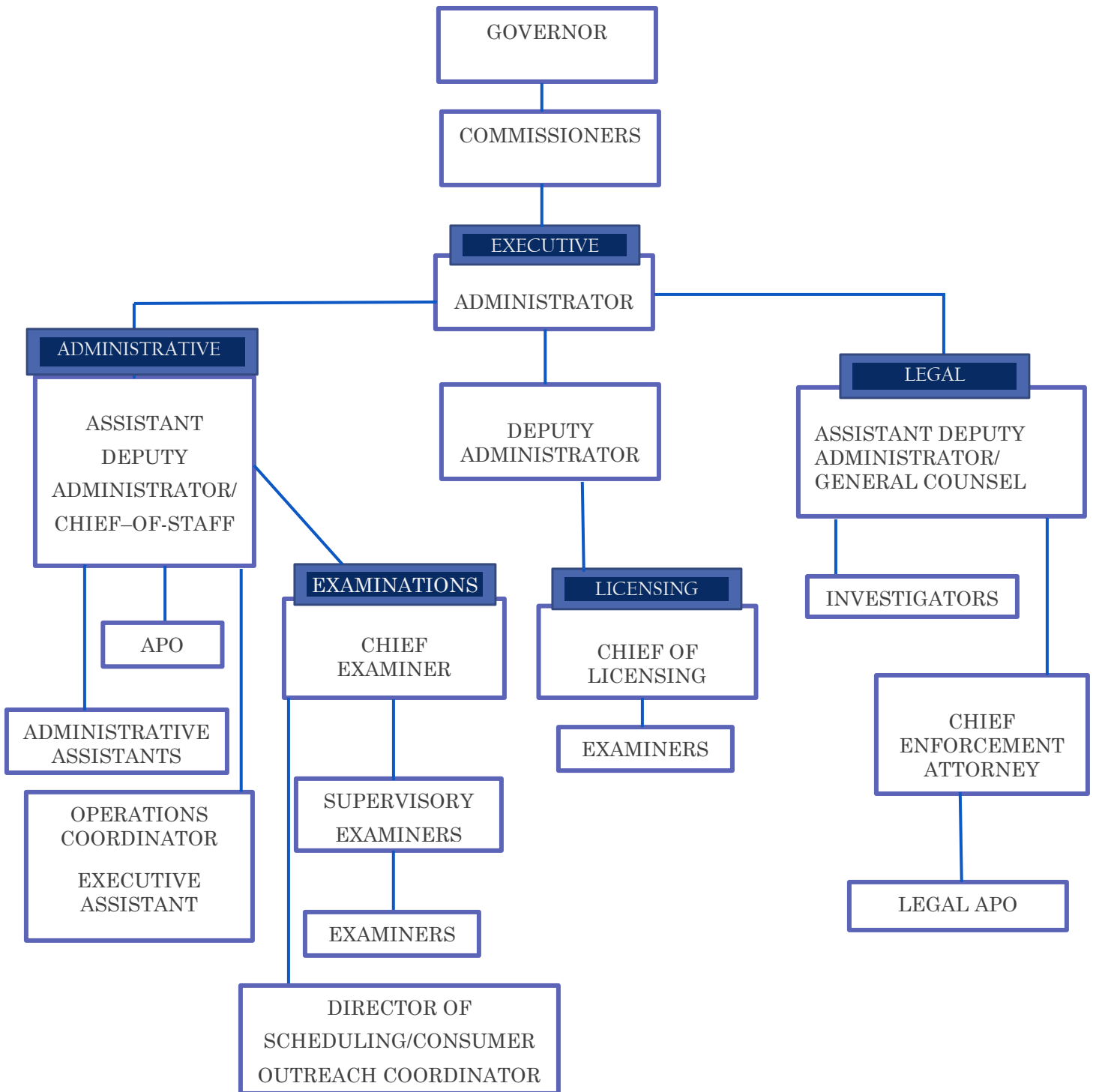
Chief Examiner
Anthony Breshers

Regional Managers
Sherri Schroder
Rich Kellogg
Sarah Reynolds
Megan Patterson

Examiners
Geromy Briscoe
Evan Earnest
Scott Ferguson
Angie Gober
Alicia Gregg
Mary Keel
Steve Kissling
Danny Nguyen
Deshia Parks
David Perry
Rob Peters
Viola Peters
Christine Waters
Scott White
Chris Williams
Stephanie Younie
Stanley (Joe) Johnson

Director of
Scheduling/Consumer Outreach
Coordinator
Liz Foster

ORGANIZATIONAL STRUCTURE



LICENSING STATISTICS

As mandated by 59 O.S. § 4000.1 (K):

For the period beginning 11/1/2022 and ending 10/31/2023 -

1. The number of licensing applications received: 12,475
2. The number of applications that resulted in the license being granted: 12,375
3. The number of applications that resulted in the license being denied: None.
4. The number of applications that were denied due to criminal history: None.
5. A list of criminal offenses reported by individuals that were granted a license:
 - Distribution of marijuana
 - Prohibited person owning ammunition
 - Criminal storage of a firearm accessible to child in the third degree
 - Misdemeanor damage to property,
 - Burglary
 - Theft
 - DUI
 - Solicitation to possess marijuana
 - Possession of marijuana
 - Possession of a controlled substance
 - DWI
 - Marijuana – possess/use of drug paraphernalia
 - Tobacco/minor
 - Pursuing/taking/killed/possessed or disposed of wildlife illegally
 - Misdemeanor A -Theft – moveable property <= \$2,500
 - Trafficking in controlled substance
 - Conspiracy to violate uniform controlled substance act –
 - Assault
 - Military – Dispose/larceny of government property
 - Misdemeanor Operating Vehicle Intoxicated
 - Disorderly Conduct
 - Operating while intoxicated
 - Theft less than \$500
 - DWI/prior offender
 - Petty theft
 - Aggravated assault
 - Criminal damage causing damage of >\$1,000 <\$2,000

- Driving while under the influence of liquor, drugs, vapor releasing substances or any combination
 - Inflicting corporal injury to a spouse or cohabitant;
 - Reckless driving;
 - Driving without a license
 - Grand theft
 - False identification to a police officer
 - DUI alcohol/drugs
6. A list of criminal offenses reported by individuals who were denied a license due to criminal history along with the time elapsed since the commission of the offense: N/A
7. The number of petitions received by the licensing or certification authority pursuant to subsection F of 59 O.S. § 4000.1: None.

COMMISSION MEETING MINUTES

**MINUTES OF REGULAR MEETING
COMMISSION ON CONSUMER CREDIT
March 8, 2023**

The Regular meeting of the Commission on Consumer Credit was held at 10:00 a.m. on March 8, 2023. The Regular Meeting was held at the Oklahoma Banking Department located at 2900 N. Lincoln Blvd., Oklahoma City, OK 73105. The agenda was posted at the office of the Oklahoma Department of Consumer Credit, 629 N.E. 28th Street, on the main public entrance and on the Department of Consumer Credit Internet website at www.ok.gov/okdoce, on March 2, 2023.

I. Call to order.

Chairman Bob Moses called the meeting to order at 10:00 a.m.

II. Roll call.

PRESENT: Chairman Bob Moses, Vice-Chairman Joe Wilbanks, Mick Thompson, Rick Harper, Barry Anderson, and Shari Martin.

ABSENT: Jerry Douglas, Blake Hollingsworth, Alfredo Madrid and Tim Morris

Chairman Moses announced that a quorum was present.

STAFF PRESENT:

Scott Leshner, Ruben Tornini, Steven Coates (telephonically), John Coyne, Anthony Breshers & Roberta Hale

GUESTS PRESENT:

Melody Kellogg, Office of Management and Enterprise Services
Greg Piatt and Sydney Hill

III. Discussion and possible action regarding the Minutes of the Regular Meeting held on November 9, 2022.

Commissioner Harper made a motion to approve the minutes of the Regular Meeting held on November 9, 2022. Commissioner Anderson seconded the motion. The motion was unanimously approved.

IV. Presentation of monthly budget and financial reports.

Melody Kellogg, Office of Management and Enterprise Services, presented the February 2023 monthly budget and financial report.

V. Administrator's Monthly Reports:

Deputy Administrator Tornini presented the Licensing report. Chief Examiner Breshers presented the Complaints report and the Examination report. Chief Enforcement Attorney Coyne presented the Legal report.

Administrator Leshar presented a report on the activities of the Department during renewal season.

Mr. Piatt presented a legislation update.

VI. New Business (Any matter not known about or which could not have been reasonably foreseen prior to the time of posting the agenda).

There was no new business.

VII. Adjournment.

Without objection, Chairman Moses adjourned the meeting at 10:53 a.m.



Bob Moses

Bob Moses
Chairman

Roberta Hale

Roberta Hale
Commission Secretary

**MINUTES OF REGULAR MEETING
COMMISSION ON CONSUMER CREDIT
June 14, 2023**

The Regular meeting of the Commission on Consumer Credit was held at 10:00 a.m. on June 14, 2023. The Regular Meeting was held at the Oklahoma Banking Department located at 2900 N. Lincoln Blvd., Oklahoma City, OK 73105. The agenda was posted at the office of the Oklahoma Department of Consumer Credit, 629 N.E. 28th Street, on the main public entrance and on the Department of Consumer Credit Internet website at www.ok.gov/okdoccc, on June 8, 2023.

I. Call to order.

Chairman Bob Moses called the meeting to order at 10:00 a.m.

II. Roll call.

PRESENT: Chairman Bob Moses, Mick Thompson, Blake Hollingsworth, Alfredo Madrid, Barry Anderson, Shari Martin, Tim Morris, Rodney Owens, and Marcel Walther.

ABSENT: Vice-Chairman Joe Wilbanks

Chairman Moses announced that a quorum was present. He welcomed the new Commissioners to the meeting: Rodney Owens and Marcel Walther.

STAFF PRESENT:

Scott Leshner, Ruben Tornini, Steven Coates, John Coyne, Anthony Breshers & Roberta Hale

GUESTS PRESENT:

Megan Patton, Office of Management and Enterprise Services

III. Discussion and possible action regarding the Minutes of the Regular Meeting held on March 9, 2023.

Commissioner Anderson made a motion to approve the minutes of the Regular Meeting held on March 9, 2023. Commissioner Morris seconded the motion. The motion was unanimously approved.

IV. Presentation of monthly budget and financial reports.

Megan Patton, Financial Manager, Office of Management and Enterprise Services, presented the May 2023 monthly budget and financial report.

V. Administrator's Monthly Reports:

Deputy Administrator Tornini presented the Licensing report. Chief Examiner Breshers presented the Complaint reports and the Examination report. Chief Enforcement Attorney Coyne presented the Legal report.

VI. Discussion and possible action regarding the continued Thentia database development and implementation, presented by Ruben Tornini, Deputy Administrator.

Deputy Tornini presented an update on the implementation project for the internal database and requested to continue the database development and implementation for FY24 for the proposed expense of \$168,000.00 annually.

Commissioner Anderson made a motion to approve the proposed expense to continue the database project for FY24 in the amount of \$168,000.00. Commissioner Morris seconded the motion. The motion was unanimously approved.

VII. Discussion and possible action regarding the FY2024 Budget of the Department of Consumer Credit, presented by Roberta Hale, Asst. Deputy Administrator/Chief of Staff.

Ms. Hale presented the FY24 budget for consideration.

Commissioner Hollingsworth made a motion to approve the proposed FY24 budget as presented. Commissioner Madrid seconded the motion.

The motion was unanimously approved.

VIII. New Business (Any matter not known about or which could not have been reasonably foreseen prior to the time of posting the agenda).

There was no new business.

IX. Adjournment.

Without objection, Chairman Moses adjourned the meeting at 10:38 a.m.





Bob Moses
Chairman



Roberta Hale
Commission Secretary

**MINUTES OF REGULAR MEETING
COMMISSION ON CONSUMER CREDIT
August 9, 2023**

The Regular meeting of the Commission on Consumer Credit was held at 10:00 a.m. on August 9, 2023. The Regular Meeting was held at the Oklahoma Banking Department located at 2900 N. Lincoln Blvd., Oklahoma City, OK 73105. The agenda was posted at the office of the Oklahoma Department of Consumer Credit, 629 N.E. 28th Street, on the main public entrance and on the Department of Consumer Credit Internet website at www.ok.gov/okdccc, on August 3, 2023.

I. Call to order.

Chairman Bob Moses called the meeting to order at 10:00 a.m.

II. Roll call.

PRESENT: Chairman Bob Moses, Vice-Chairman Joe Wilbanks, Mick Thompson, Alfredo Madrid, Barry Anderson, Shari Martin, Rodney Owens, and Marcel Walther.

ABSENT: Blake Hollingsworth and Tim Morris

Chairman Moses announced that a quorum was present.

STAFF PRESENT:

Scott Leshner, Ruben Tornini, Steven Coates, John Coyne, Anthony Breshers & Roberta Hale

GUESTS PRESENT:

Megan Patton, Office of Management and Enterprise Services

III. Discussion and possible action regarding the Minutes of the Regular Meeting held on June 14, 2023.

Commissioner Wilbanks made a motion to approve the minutes of the Regular Meeting held on June 14, 2023. Commissioner Walther seconded the motion. The motion was unanimously approved.

IV. Presentation of monthly budget and financial reports.

Megan Patton, Financial Manager, Office of Management and Enterprise Services, presented the July 2023 monthly budget and financial report.

V. Administrator's Monthly Reports:

Deputy Administrator Tornini presented the Licensing report. Chief Examiner Breshers presented the Complaint reports and the Examination report. Chief Enforcement Attorney Coyne presented the Legal report.

VI. Discussion and possible action regarding the policy of annual performance evaluation of the Administrator of the Department of Consumer Credit.

Chairman Moses presented the updated policy.

Commissioner Owens made a motion to approve the policy as presented to the Commission. Commissioner Anderson seconded the motion. The motion was unanimously approved.

VII. Discussion and possible action regarding the Administrator evaluation form.

Chairman Moses presented updated Administrator evaluation form.

Commissioner Madrid made a motion to approve the Administrator evaluation form as presented to the Commission. Commissioner Martin seconded the motion. The motion was unanimously approved.

VIII. New Business (Any matter not known about or which could not have been reasonably foreseen prior to the time of posting the agenda).

There was no new business.

IX. Adjournment.

Without objection, Chairman Moses adjourned the meeting at 10:53 a.m.





Bob Moses
Chairman



Roberta Hale
Commission Secretary