



Title: Oklahoma Senate Bill 1743

Subject: GAP Waivers and Vehicle Value Protection Agreements

Summary:

Oklahoma Senate Bill 1743 is GAPA’s initiative to create a statutory framework for motor vehicle financial protection products. The bill largely follows the GAPA model act as it:

- Authorizes the issuance of debt waivers and vehicle value protection agreements;
- Establishes disclosure requirements;
- Mandates a minimum 30-day “free-look” period;
- States that in order to receive an early termination refund on a gap waiver, the borrower must provide a written request;
- Provides for enforcement under the Commissioner of Insurance;
- Provides financial responsibility requirements;
- Requires retail sellers to insure their GAP obligations with a CLIP; CLIP is optional for other creditors and for gap waivers on leases;
- Prohibits mandating purchase of a financial protection product as a condition of sale, lease, or financing of a motor vehicle; and
- States that motor vehicle financial protection products agreements are not insurance and are exempt from insurance regulation.

The legislation is effective November 1, 2022.

Date Filed: 01/20/2022

Date/Type of Last Action:	02/07/2022	First Reading Authored by Senator Leewright
	02/08/2022	Second Reading referred to Business, Commerce and Tourism
	02/10/2022	Reported Do Pass (12-0), amended by committee substitute Business and Commerce committee; CR filed
	02/22/2022	Coauthored by Representative Bashore (principal House author)

03/08/2022	General Order, Amended Measure Passed (46-0) Referred for engrossment
03/09/2022	Engrossed to House First Reading in House
03/28/2022	Second Reading referred to Banking, Financial Services and Pensions
04/11/2022	CR; Do Pass Banking, Financial Services and Pensions Committee (7-0)
4/13/22	Measure Passed House, 93-0
4/19/22	Approved by Governor