

Notice of Proposed Rulemaking

Administrator of the Colorado Uniform Consumer Credit Code Concerning the regulation of income share agreements

Date of Notice: July 14, 2023

Date of public hearing: August 25th, 2023, at 9am MT

I. Hearing Notice

As required by the State Administrative Procedure Act,¹ the Administrator of the Colorado Uniform Consumer Credit Code (“Administrator”) gives notice of proposed rulemaking. The hearing is scheduled for August 25th, 2023, at 9am MT at 1300 Broadway, Denver Colorado 80203 in room 1B. This meeting will be conducted in person and via webinar. Details regarding how to join the webinar and testify during the hearing are outlined in section VI of this notice.

II. Subject

The Administrator proposed to regulate a relatively new financial product called an income share agreement (“ISA”). This hearing shall concern the proposed rule that follows this notice. A detailed Statement of Basis, Purpose, and Specific Statutory Authority follows this notice and is incorporated by reference.

III. Statutory authority

The Administrator proposes this rule in accordance with the following statutory provisions:

- rulemaking authority, C.R.S. §§ 5-6-104(1)(e) and (2);
- information required for disclosure and compliance with the Truth in Lending Act, C.R.S. § 5-3-101;
- statutory caps for maximum finance charges, C.R.S. § 5-2-201;
- statutory right to prepay, C.R.S. § 5-2-210;
- statutory rebate upon prepayment, C.R.S. § 5-2-211;
- licensure requirements, C.R.S. § 5-2-301 and § 5-20-106(2);
- prohibitions against false, misleading, or deceptive statement or representation, C.R.S. § 5-3-11;
- prohibition against assignment of earnings, C.R.S. § 5-3-206;
- requirement of notification by credit sellers, C.R.S. § 5-6-201; and
- record-keeping requirements, C.R.S. § 5-2-304.

IV. Copies of proposed rule

A draft of the proposed rule is published with this notice are available on the Colorado Department of Law website at:

<https://coag.gov/office-sections/consumer-protection/consumer-credit-unit/uniform-consumer-credit-code/>

¹ Section 24-4-103(3)(a), C.R.S. (2023).

As required by the State Administrative Procedures Act, 4 if changes are made before the hearing, revised proposed draft rules will be available to the public and posted on the website on or before August 20, 2023.²

V. Opportunity to provide oral and written comment

The Administrator values your feedback in our rulemaking process. Entities and members of the public are encouraged to testify or to provide written comments concerning the proposed rule.

Written comments may be submitted to CSLSA@coag.gov on or before September 1, 2023.

Oral comments may be provided at the public rulemaking hearing by those attending in person or over webinar connection.

All comments will be published on the Colorado Department of Law website either in written form or as a recording of the hearing. Those materials will be found at

<https://coag.gov/office-sections/consumer-protection/consumer-credit-unit/uniform-consumer-credit-code/>

All comment, written or oral, will be added to the public rulemaking record.

VI. Hearing date, location, and webinar information

The public rulemaking hearing will be held on August 25, 2023 at 9am MT at 1300 Broadway, Denver, Colorado 80203, room IB. Attendees may also participate via webinar at the location below.

All are invited to provide oral commentary at the hearing. To ensure that the hearing is prompt and efficient, oral testimony may be time limited.

Join Zoom Meeting

<https://us02web.zoom.us/j/81225812098?pwd=Lzd1SW5odldvVnNLV3lzcG1GajB3Zz09>

Meeting ID: 812 2581 2098

Passcode: 946945

One tap mobile

+17193594580,,81225812098#,,,,*946945# US

+13462487799,,81225812098#,,,,*946945# US (Houston)

² Section 24-4-103(3)(a), C.R.S. (2022). “Any proposed rule or revised proposed rule by an agency which is to be considered at the public hearing...shall be made available to any person at least five days prior to said hearing.”

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- +1 689 278 1000 US
- +1 929 205 6099 US (New York)
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