

By: Turner of Tarrant

H.B. No. 3391

A BILL TO BE ENTITLED

AN ACT

relating to fees paid to a third party in connection with certain extensions of consumer credit.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 302, Finance Code, is amended by adding Section 302.003 to read as follows:

Sec. 302.003. PROHIBITION ON THIRD-PARTY FEES TO ARRANGE OR GUARANTEE CERTAIN EXTENSIONS OF CONSUMER CREDIT. (a) A fee paid or to be paid to a third party to assist a consumer in the transacting, arranging, guaranteeing, or negotiating of an extension of credit may not be contracted for, charged, or received by a creditor or third party in connection with the extension of credit if:

(1) the extension of credit is secured by a non-purchase money security interest in personal property or is unsecured; and

(2) the proceeds of the extension of credit are used for personal, family, or household purposes.

(b) The amount of a fee contracted for, charged, or received in violation of Subsection (a) is considered interest for usury purposes under state law.

SECTION 2. The changes in law made by this Act apply only to an extension of consumer credit made on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2021.