

By: Turner

H.B. No. 2256

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a restriction on total charges charged for extensions  
3 of consumer credit that a credit services organization obtains for  
4 a consumer or assists a consumer in obtaining.

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

6 SECTION 1. Subchapter D, Chapter 393, Finance Code, is  
7 amended by adding Section 393.308 to read as follows:

8 Sec. 393.308. RESTRICTION ON CHARGES CHARGED IN CONNECTION  
9 WITH EXTENSIONS OF CONSUMER CREDIT. (a) For purposes of this  
10 section, the annual percentage rate of an extension of consumer  
11 credit is calculated including the total charges charged to the  
12 consumer in connection with the extension of consumer credit,  
13 including interest, lender charges, and any fees or any other  
14 valuable consideration received by the credit services  
15 organization or a representative of the organization.

16 (b) The annual percentage rate of an extension of consumer  
17 credit that a credit services organization obtains for a consumer  
18 or assists a consumer in obtaining may not exceed 36 percent.

19 SECTION 2. Section 393.602(b), Finance Code, is amended to  
20 read as follows:

21 (b) Subject to Section 393.308, a [A] credit access business  
22 may assess fees for its services as agreed to between the parties.  
23 A credit access business fee may be calculated daily, biweekly,  
24 monthly, or on another periodic basis. A credit access business is

1 permitted to charge amounts allowed by other laws, as applicable. A  
2 fee may not be charged unless it is disclosed.

3 SECTION 3. Section 393.308, Finance Code, as added by this  
4 Act, applies only to an extension of consumer credit made on or  
5 after the effective date of this Act. An extension of consumer  
6 credit made before the effective date of this Act is governed by the  
7 law in effect on the date the extension of consumer credit was made,  
8 and the former law is continued in effect for that purpose.

9 SECTION 4. This Act takes effect September 1, 2023.