

By: Walle

H.B. No. 2410

A BILL TO BE ENTITLED

AN ACT

relating to the repossession of a motor vehicle after default on a motor vehicle title loan.

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

SECTION 1. Chapter 393, Finance Code, is amended by adding Subchapter G-1 to read as follows:

SUBCHAPTER G-1. REPOSSESSION OF MOTOR VEHICLE AFTER DEFAULT

Sec. 393.651. DEFINITIONS. In this subchapter, "credit access business" and "motor vehicle title loan" have the meanings assigned by Section 393.601.

Sec. 393.652. APPLICABILITY. This subchapter applies only to a motor vehicle title loan that a credit access business obtained for a consumer or assisted a consumer in obtaining under this chapter.

Sec. 393.653. RESTRICTION ON COLLECTION OF DEFICIENCY BALANCE AFTER REPOSSESSION SALE. Notwithstanding any other law, a credit access business or other person who repossesses a motor vehicle given as security for a motor vehicle title loan after a default under the loan may not collect from the consumer any deficiency resulting from the sale of the vehicle unless, before the vehicle is repossessed, the consumer:

(1) damages the vehicle; or

(2) wrongfully fails, after default and demand, to make the vehicle available to the lender or other person.

1           SECTION 2. The changes in law made by this Act apply only to  
2 a motor vehicle title loan entered into on or after the effective  
3 date of this Act.

4           SECTION 3. This Act takes effect September 1, 2023.