

AN ACT

relating to requirements related to refunds and credit provided under terminated debt cancellation agreements.

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

SECTION 1. Section 354.007, Finance Code, is amended by amending Subsections (e), (f), and (g) and adding Subsection (e-1) to read as follows:

(e) If the debt cancellation agreement terminates due to the early termination of the contract, a [the] holder who is a retail seller who has not assigned or transferred the contract shall:

(1) [7] not later than the 60th day after the date the debt cancellation agreement terminates~~[+]~~

[(-)] refund or credit an appropriate amount of the debt cancellation agreement fee; or

(2) cause to be refunded or credited an appropriate amount of the debt cancellation agreement fee by providing written instruction not later than the 30th day after the date the debt cancellation agreement terminates, including by electronic means, to the administrator of the agreement ~~[appropriate person]~~.

(e-1) If the debt cancellation agreement terminates due to the early termination of the contract, a holder, other than a holder described by Subsection (e), shall:

(1) not later than the 60th day after the date the debt cancellation agreement terminates refund or credit an appropriate

1 amount of the debt cancellation agreement fee; or
2 (2) cause to be refunded or credited an appropriate
3 amount of the debt cancellation agreement fee by providing written
4 instruction not later than the 30th day after the date the debt
5 cancellation agreement terminates, including by electronic means,
6 to the administrator of the agreement and the retail seller.

7 (f) The administrator of the agreement or the administrator
8 of the agreement and the retail seller, as applicable, not later
9 than the 30th day after receiving the written instructions
10 specified under Subsection (e)(2) or (e-1)(2), [holder] shall
11 provide [ensure that] a refund or credit of an amount of a debt
12 cancellation agreement fee proportional to the amount received by
13 the administrator and retail seller under the agreement [made by
14 another person under Subsection (e)(2) is made not later than the
15 60th day after the date the debt cancellation agreement
16 terminates].

17 (g) The administrator of the agreement and the retail seller
18 [holder] shall maintain records of any refund or credit of an amount
19 of a debt cancellation agreement fee made under Subsection (e) or
20 (e-1) and provide electronic access to those records until the
21 later of the fourth anniversary of the date of the contract or the
22 second anniversary of the date of the refund or credit.

23 SECTION 2. The changes in law made by this Act to Section
24 354.007, Finance Code, are procedural only and do not require the
25 refiling of forms to implement.

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

President of the Senate

Speaker of the House

I certify that H.B. No. 2746 was passed by the House on May 2, 2023, by the following vote: Yeas 141, Nays 3, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2746 was passed by the Senate on May 16, 2023, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor