

By: Menéndez

S.B. No. 2228

A BILL TO BE ENTITLED

1 AN ACT
2 relating to requirements related to refunds and credit provided
3 under terminated debt cancellation agreements.

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

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

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

11 (1) ~~[7]~~ not later than the 60th day after the date the
12 debt cancellation agreement terminates~~[+]~~

13 ~~[(1)]~~ refund or credit an appropriate amount of the
14 debt cancellation agreement fee; or

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

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

23 (1) not later than the 60th day after the date the debt
24 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 or retail seller, as
7 appropriate.

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

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

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

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