

By: Burnam, Dunnam

H.B. No. 1089

Substitute the following for H.B. No. 1089:

By: Solomons

C.S.H.B. No. 1089

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to information provided by a creditor under a revolving  
3 credit account concerning payment of the balance amount.

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

5 SECTION 1. Subchapter C, Chapter 346, Finance Code, is  
6 amended by adding Section 346.207 to read as follows:

7 Sec. 346.207. MINIMUM PAYMENT NOTICE. (a) This section  
8 applies to a periodic bill delivered to the customer under a  
9 revolving credit account that allows the customer to make a minimum  
10 payment on the account that is less than the entire outstanding  
11 balance.

12 (b) The creditor shall include on the bill, at a location  
13 directly below the location where the minimum payment is stated,  
14 the following warning: "Making only the minimum payment will  
15 increase the amount of interest you pay and the time it takes to  
16 repay your balance."

17 (c) This section applies to an account with a customer who  
18 is a resident of this state regardless of the location of the  
19 creditor. Notwithstanding any other state law, an agreement made  
20 in connection with the account is void to the extent the agreement  
21 waives the application of this section or applies the law of a  
22 jurisdiction other than this state that is inconsistent with this  
23 section.

24 SECTION 2. This Act applies only to an account agreement

1 entered into, amended, or renewed on or after the effective date of  
2 this Act.

3 SECTION 3. This Act takes effect September 1, 2005.