

1-1 By: Shapleigh S.B. No. 1479  
1-2 (In the Senate - Filed March 10, 2005; March 21, 2005, read  
1-3 first time and referred to Committee on Veteran Affairs and  
1-4 Military Installations; April 4, 2005, reported favorably by the  
1-5 following vote: Yeas 4, Nays 0; April 4, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to deferred presentment transactions of certain military  
1-9 personnel or their spouses.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Chapter 342, Finance Code, is amended by adding  
1-12 Subchapter M to read as follows:

1-13 SUBCHAPTER M. DEFERRED PRESENTMENT TRANSACTIONS

1-14 Sec. 342.601. DEFINITIONS. In this subchapter:

1-15 (1) "Lender" means a lender licensed under this  
1-16 chapter.

1-17 (2) "Member of the United States military" means:

1-18 (A) a member of the armed forces of the United  
1-19 States; or

1-20 (B) a member of the Texas National Guard who is  
1-21 called to federal active duty.

1-22 Sec. 342.602. DISCLOSURES TO MILITARY BORROWERS. Before  
1-23 engaging in a deferred presentment transaction, a lender shall  
1-24 provide to a customer who is a member of the United States military  
1-25 or the member's spouse a written statement that clearly and  
1-26 conspicuously states that:

1-27 (1) the lender is prohibited by law from:

1-28 (A) garnishing the wages of any borrower,  
1-29 including a borrower who is a member of the United States military;

1-30 (B) conducting any collection activity against a  
1-31 borrower who is:

1-32 (i) a member of the armed forces of the  
1-33 United States who is deployed to combat or a combat support posting,  
1-34 for the duration of the posting;

1-35 (ii) a member of the Texas National Guard  
1-36 who is called to federal active duty, for the duration of the duty;

1-37 (iii) the spouse of a person described by  
1-38 Paragraph (i), for the duration of the posting; or

1-39 (iv) the spouse of a person described by  
1-40 Paragraph (ii), for the duration of the duty; or

1-41 (C) from contacting the employer of a member of  
1-42 the United States military about a deferred presentment debt of the  
1-43 member or the member's spouse;

1-44 (2) the lender shall honor the terms of a repayment  
1-45 agreement entered into with a member of the United States military  
1-46 or the member's spouse, including a repayment agreement negotiated  
1-47 through military counselors or third-party credit counselors; and

1-48 (3) the lender shall honor any statement made by a  
1-49 commanding officer of a member of the United States military  
1-50 declaring any location where deferred presentment transaction  
1-51 business is to be conducted by the lender to be a place at which a  
1-52 member of the United States military or the member's spouse is  
1-53 prohibited from transacting business.

1-54 Sec. 342.603. PROHIBITED PRACTICES. A lender may not  
1-55 contact the employer of a member of the United States military about  
1-56 a deferred presentment debt of the member or the member's spouse.

1-57 Sec. 342.604. MILITARY BORROWER. (a) A lender may not  
1-58 engage in collection activity against a borrower who is:

1-59 (1) a member of the armed forces of the United States  
1-60 who is deployed to combat or a combat support posting, for the  
1-61 duration of the posting;

1-62 (2) a member of the Texas National Guard who is called  
1-63 to federal active duty, for the duration of the duty;

1-64 (3) the spouse of a person described by Subdivision

2-1 (1), for the duration of the posting; or  
2-2 (4) the spouse of a person described by Subdivision  
2-3 (2), for the duration of the duty.

2-4 (b) A lender may not garnish the wages of a borrower who is a  
2-5 member of the United States military or the member's spouse.

2-6 Sec. 342.605. REPAYMENT AGREEMENT. With respect to a  
2-7 deferred presentment transaction, a lender shall honor a repayment  
2-8 agreement entered into with a borrower who is a member of the United  
2-9 States military or the member's spouse, including a repayment  
2-10 agreement negotiated through a military counselor or a third-party  
2-11 credit counselor.

2-12 SECTION 2. This Act takes effect September 1, 2005.

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