

By: Flores

H.B. No. 464

A BILL TO BE ENTITLED

1 AN ACT

2 relating to making a cash advance under a deferred presentment
3 transaction in conjunction with another person.

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

5 SECTION 1. Section 342.008, Finance Code, is amended to
6 read as follows:

7 Sec. 342.008. ATTEMPT TO EVADE LAW. (a) A person who is a
8 party to a deferred presentment transaction may not evade the
9 application of this subtitle or a rule adopted under this
10 subchapter by use of any device, subterfuge, or pretense.
11 Characterization of a required fee as a purchase of a good or
12 service in connection with a deferred presentment transaction is a
13 device, subterfuge, or pretense for the purposes of this section.

14 (b) A person may not make or offer to make a cash advance
15 under a deferred presentment transaction on behalf of, in
16 conjunction with, or as an agent for another person unless both
17 persons comply with this subtitle and rules adopted under Section
18 342.007 with respect to deferred presentment transactions. This
19 subsection applies regardless of whether both persons are subject
20 to regulation under this subtitle or another law of this state. An
21 agreement made in connection with a deferred presentment
22 transaction is void to the extent the agreement waives the
23 application of this subsection or applies the law of a jurisdiction
24 other than this state to avoid compliance with this subtitle or

1 rules adopted under Section 342.007 in a transaction described by
2 this subsection. For the purposes of Chapter 349, a person who
3 makes or offers to make a cash advance under a deferred presentment
4 transaction on behalf of, in conjunction with, or as an agent for
5 another person is considered to contract for interest.

6 SECTION 2. This Act takes effect September 1, 2007.