

By: Pickett

H.B. No. 1555

A BILL TO BE ENTITLED

AN ACT

relating to the correction of an error regarding the account of a credit card holder.

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

SECTION 1. Chapter 339, Finance Code, is amended by adding Section 339.006 to read as follows:

Sec. 339.006. INVESTIGATION AND CORRECTION OF ERROR REGARDING CREDIT CARD ACCOUNT. (a) In this section:

(1) "Credit card" means a card or device issued under an agreement by which the issuer gives to a cardholder the right to obtain credit from the issuer or another person.

(2) "Credit card company" means the entity to which the credit card holder makes payment on the credit obtained by using the credit card.

(b) If the holder of a credit card contacts the credit card company regarding an error with respect to the interest or fees charged to the holder by the company, the company shall, within 48 hours of receiving the notification:

(1) determine whether an error has been made; and

(2) notify the holder of the determination by telephone, facsimile, or electronic mail.

(c) If the credit card company determines under Subsection (b) that an error has been made with respect to the interest or fees charged to a credit card holder, the company shall:

1           (1) credit any overcharges to the holder's account and  
2 permanently correct the error, not later than the fifth business  
3 day after the date on which the 48-hour period under Subsection (b)  
4 expires; and

5           (2) send to the holder written notice acknowledging  
6 the error and promising to correct the error.

7           (d) Written notice under Subsection (c)(2) must be received  
8 by the holder not later than the fifth business day after the date  
9 on which the 48-hour period under Subsection (b) expires.

10           (e) A violation of this section is a deceptive trade  
11 practice under Subchapter E, Chapter 17, Business & Commerce Code.  
12 For purposes of an action brought under that statute as provided by  
13 this subsection, the provision of credit under a credit card  
14 agreement is considered a service and a credit card holder is  
15 considered a consumer.

16           SECTION 2. Section 339.006, Finance Code, as added by this  
17 Act, applies only to an error about which a credit card company is  
18 notified as provided by that section on or after September 1, 2007.

19           SECTION 3. This Act takes effect September 1, 2007.