

By: McCall

H.B. No. 2590

A BILL TO BE ENTITLED

AN ACT

relating to requirements regarding motor vehicle retail installment transactions.

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

SECTION 1. Section 348.001(3), Finance Code, is amended to read as follows:

(3) "Holder" means a person who is:

(A) a retail seller; or

(B) the assignee or transferee of [if] a retail installment contract ~~[or the outstanding balance under the contract is sold or otherwise transferred, the person to whom it is sold or otherwise transferred]~~.

SECTION 2. Sections 348.104(b), (c), (d), and (h), Finance Code, are amended to read as follows:

(b) The add-on charge is \$7.50 per \$100 per year on the principal balance for[+]

~~[(1)]~~ a new ~~[domestic]~~ motor vehicle, other than a heavy commercial vehicle, designated by the manufacturer by a model year that is not earlier than the year in which the sale is made~~[, or~~

~~[(2)] a new foreign motor vehicle, other than a heavy commercial vehicle]~~.

(c) The add-on charge is \$10 per \$100 per year on the principal balance for:

(1) a new ~~[domestic]~~ motor vehicle not covered by

Subsection (b);

(2) a used [~~domestic~~] motor vehicle designated by the manufacturer by a model year that is not more than two years before the year in which the sale is made; or

~~(3) [a used foreign motor vehicle that is not more than two years old; or~~

~~[(4)]~~ a new or used heavy commercial vehicle designated by the manufacturer by a model year that is not more than two years before the year in which the sale is made ~~[old]~~.

(d) The add-on charge is \$12.50 per \$100 per year on the principal balance for a used motor vehicle not covered by Subsection (c) that is~~+~~

~~[(1)]~~ a [~~domestic~~] motor vehicle designated by the manufacturer by a model year that is not more than four years before the year in which the sale is made~~+~~ ~~or~~

~~[(2)] a foreign motor vehicle that is not more than four years old]~~.

(h) For the purpose of a computation under this section, 16 ~~[15]~~ or more days of a month may be considered a full month.

SECTION 3. Section 348.404, Finance Code, is amended by adding Subsection (d) to read as follows:

(d) A retail seller may include money advanced under Subsection (b) in the retail installment contract only if it is included as an itemized charge.

SECTION 4. Section 348.405, Finance Code, is amended to read as follows:

Sec. 348.405. STATEMENT OF PAYMENTS AND AMOUNT DUE UNDER

1 CONTRACT. (a) On written request of a retail buyer, the holder of  
2 a retail installment contract shall give or send to the buyer a  
3 written statement of the dates and amounts of payments and the total  
4 amount unpaid under the contract. A holder shall respond to the  
5 request within a reasonable time, as determined by the  
6 commissioner, by providing the information or a reasonable means to  
7 obtain it. The holder may require the retail buyer to verify the  
8 requester's identity before responding to a request.

9 (b) A retail buyer is entitled to one statement or payoff  
10 quotation during a six-month period without charge. The charge for  
11 each additional requested statement may not exceed \$1.

12 SECTION 5. Section 348.408, Finance Code, is amended by  
13 adding Subsection (c) to read as follows:

14 (c) A retail seller must pay in full the outstanding balance  
15 of a vehicle traded in not later than the 20th working day after the  
16 date that:

17 (1) the retail installment contract is signed by the  
18 retail buyer and the retail buyer receives delivery of the motor  
19 vehicle; and

20 (2) the retail seller receives delivery of the motor  
21 vehicle traded in and the necessary and appropriate documents to  
22 transfer title from the buyer.

23 SECTION 6. This Act takes effect January 1, 2008.