

By: Farias

H.B. No. 3772

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of credit services organizations.

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

SECTION 1. Section 393.001, Finance Code, is amended by adding Subdivision (5) to read as follows:

(5) "Office" means the Office of Consumer Credit Commissioner.

SECTION 2. Sections 393.101(a) and (c), Finance Code, are amended to read as follows:

(a) Before conducting business in this state, a credit services organization shall register with the office [~~secretary of state~~] by filing a statement that:

(1) contains the name and address of:

(A) the organization; and

(B) each person who directly or indirectly owns or controls at least 10 percent of the outstanding shares of stock in the organization; and

(2) fully discloses any litigation or unresolved complaint relating to the operation of the organization filed with a governmental authority of this state or contains a notarized statement that there has been no litigation or unresolved complaint of that type.

(c) The office [~~secretary of state~~] may not require an organization to provide information other than information

1 contained in the registration statement.

2 SECTION 3. Section 393.104, Finance Code, is amended to  
3 read as follows:

4 Sec. 393.104. FILING FEE. The office [~~secretary of state~~]  
5 may charge a credit services organization a reasonable fee to cover  
6 the cost of filing a registration statement [~~or renewal~~  
7 ~~application~~] in an amount not to exceed \$100.

8 SECTION 4. Section 393.401(b), Finance Code, is amended to  
9 read as follows:

10 (b) A copy of the bond shall be filed with the office  
11 [~~secretary of state~~].

12 SECTION 5. Section 393.402(b), Finance Code, is amended to  
13 read as follows:

14 (b) The name of the depository and the trustee and the  
15 account number of the surety account must be filed with the office  
16 [~~secretary of state~~].

17 SECTION 6. Section 393.407, Finance Code, is amended to  
18 read as follows:

19 Sec. 393.407. PAYMENT OF MONEY IN SURETY ACCOUNT TO CREDIT  
20 SERVICES ORGANIZATION. (a) A depository may not pay money in a  
21 surety account to the credit services organization that established  
22 the account or a representative of the organization unless the  
23 organization or representative presents a statement issued by the  
24 office [~~secretary of state~~] indicating that the requirement of  
25 Section 393.406 has been satisfied in relation to the account.

26 (b) The office [~~secretary of state~~] may conduct an  
27 investigation and require information to be submitted as necessary

1 to enforce this section.

2 SECTION 7. Section 393.101(d), Finance Code, is repealed.

3 SECTION 8. (a) On the effective date of this Act:

4 (1) all functions and activities performed by the  
5 secretary of state that relate to the registration of credit  
6 services organizations under Chapter 393, Finance Code,  
7 immediately before that date are transferred to the Office of  
8 Consumer Credit Commissioner;

9 (2) a rule or form adopted by the secretary of state  
10 that relates to the registration of credit services organizations  
11 under Chapter 393, Finance Code, is a rule or form of the Office of  
12 Consumer Credit Commissioner and remains in effect until altered by  
13 the Office of Consumer Credit Commissioner;

14 (3) a reference in law to the secretary of state that  
15 relates to the registration of credit services organizations under  
16 Chapter 393, Finance Code, means the Office of Consumer Credit  
17 Commissioner;

18 (4) a proceeding involving the secretary of state that  
19 relates to the registration of credit services organizations under  
20 Chapter 393, Finance Code, is transferred without change in status  
21 to the Office of Consumer Credit Commissioner, and the office  
22 assumes without a change in status the position of the secretary of  
23 state in a proceeding relating to the registration of credit  
24 services organizations to which the secretary of state is a party;

25 (5) all money, contracts, leases, rights, and  
26 obligations of the secretary of state that relate to the  
27 registration of credit services organizations under Chapter 393,

1 Finance Code, are transferred to the Office of Consumer Credit  
2 Commissioner;

3           (6) all property, including records, in the custody of  
4 the secretary of state that relates to the registration of credit  
5 services organizations under Chapter 393, Finance Code, becomes  
6 property of the Office of Consumer Credit Commissioner; and

7           (7) all funds appropriated by the legislature to the  
8 secretary of state that relate to the registration of credit  
9 services organizations under Chapter 393, Finance Code, are  
10 transferred to the Office of Consumer Credit Commissioner.

11           (b) Money collected by the secretary of state for fees  
12 related to registration statements and renewal applications  
13 pending before the secretary of state on the effective date of this  
14 Act are transferred to the Office of Consumer Credit Commissioner  
15 on that date. The fees may not be assessed again for the same  
16 statement.

17           SECTION 9. This Act takes effect September 1, 2009.