

By: Shapleigh

S.B. No. 243

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the prohibition on participating in the lending of  
3 credit by a credit services organization that assists a borrower in  
4 obtaining the credit.

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

6 SECTION 1. Subchapter D, Chapter 393, Finance Code, is  
7 amended by adding Section 393.308 to read as follows:

8 Sec. 393.308. ACTING AS OR ASSOCIATING WITH LENDER. (a) A  
9 credit services organization may not facilitate or assist in  
10 obtaining credit for a consumer if:

11 (1) the organization is the lender;

12 (2) the organization or an officer, director, or  
13 employee of the organization is in any way related to the lender or  
14 an officer, director, or employee of the lender;

15 (3) the lender or the organization is an affiliate of  
16 the other, or the lender and the organization are owned or  
17 controlled by the same holding company;

18 (4) the organization retains or receives an economic  
19 interest in the loan revenue;

20 (5) the organization services or collects the loan on  
21 behalf of the lender; or

22 (6) the organization provides compensation to or  
23 shares resources with the lender.

24 (b) A credit services organization may not use a scheme,

1 device, or contrivance to evade the application of this section.

2 SECTION 2. This Act takes effect September 1, 2009.