

By: Ellis

S.B. No. 2168

A BILL TO BE ENTITLED

AN ACT

relating to the use of behavioral analysis or scoring in certain consumer contracts.

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

SECTION 1. Chapter 308, Finance Code, is amended by adding Section 308.0021 to read as follows:

Sec. 308.0021. BEHAVIORAL ANALYSIS OR SCORING PROHIBITED.

(a) In this section:

(1) "Consumer contract" means a written agreement for the extension of consumer credit.

(2) "Extension of consumer credit" means the right to defer payment of debt offered or granted primarily for personal, family, or household purposes or to incur the debt and defer its payment.

(b) A person extending credit under a consumer contract may not reduce or eliminate the amount of credit available to a consumer under the contract or take any other adverse action against a consumer under the contract based on:

(1) the types of transactions the consumer enters into using the credit extended under the consumer contract; or

(2) the financial behavior of someone other than the consumer, including the financial behavior of others who make purchases similar to the consumer.

(c) A violation of this section is a deceptive trade

1 practice under Subchapter E, Chapter 17, Business & Commerce Code,
2 and is actionable under that subchapter.

3 SECTION 2. The change in law made by this Act applies only
4 to a consumer contract entered into on or after the effective date
5 of this Act. A consumer contract entered into before the effective
6 date of this Act is governed by the law in effect when the contract
7 was entered into, and the former law is continued in effect for that
8 purpose.

9 SECTION 3. This Act takes effect September 1, 2009.