

By: Farias

H.B. No. 2925

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the extension of consumer credit to certain members of
3 the Texas National Guard and armed forces of the United States and
4 their dependents; providing a penalty.

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

6 SECTION 1. Subtitle B, Title 4, Finance Code, is amended by
7 adding Chapter 353 to read as follows:

8 CHAPTER 353. EXTENSION OF CONSUMER CREDIT TO SERVICEMEMBERS OR
9 THEIR DEPENDENTS

10 Sec. 353.001. DEFINITIONS. In this chapter:

11 (1) "Consumer credit" has the meaning assigned by 10
12 U.S.C. Section 987.

13 (2) "Creditor" means a person who:

14 (A) is engaged in the business of extending
15 consumer credit; or

16 (B) transacts, negotiates, or services an
17 extension of consumer credit.

18 (3) "Servicemember" means a member of the United
19 States armed forces or a member of the Texas National Guard called
20 to federal active duty.

21 (4) "Dependent," with respect to a servicemember,
22 means the servicemember's spouse or dependent child.

23 (5) "Dependent child" means a person who is unmarried
24 and who:

1 (A) is under 18 years of age;

2 (B) before the person's 18th birthday, became
3 permanently incapable of self-support; or

4 (C) is under 23 years of age and is pursuing a
5 course of instruction at an approved educational institution.

6 Sec. 353.002. INAPPLICABILITY OF CHAPTER. This chapter
7 does not apply to:

8 (1) an insured depository institution, as that term is
9 defined by Section 3, Federal Deposit Insurance Act (12 U.S.C.
10 Section 1813); or

11 (2) an insured credit union, as that term is defined by
12 Section 101, Federal Credit Union Act (12 U.S.C. Section 1752).

13 Sec. 353.003. TERMS OF CONSUMER CREDIT EXTENDED TO CERTAIN
14 SERVICEMEMBERS AND DEPENDENTS; CERTAIN BENEFITS AND PROTECTIONS. A
15 creditor who extends consumer credit to a servicemember or a
16 servicemember's dependent not covered by 10 U.S.C. Section 987, as
17 that law existed on September 1, 2011, shall apply to those persons
18 the same benefits and protections that the creditor is required to
19 apply to a covered member of the armed forces or the covered
20 member's dependent under that federal law and regulations adopted
21 pursuant to that law.

22 Sec. 353.004. CRIMINAL PENALTY. (a) A creditor commits an
23 offense if the creditor knowingly violates 10 U.S.C. Section 987,
24 as that law existed on September 1, 2011, or a federal regulation
25 adopted pursuant to that law. An offense under this subsection is a
26 Class A misdemeanor.

27 (b) A creditor commits an offense if the creditor knowingly

1 violates Section 353.003. An offense under this subsection is a
2 Class A misdemeanor.

3 Sec. 353.005. REMEDIES AND ADDITIONAL PENALTIES. (a) The
4 remedies and rights available under this chapter are in addition to
5 and do not preclude any remedy otherwise available under law to a
6 servicemember or a servicemember's dependent, including any award
7 for consequential or punitive damages.

8 (b) On violation of this chapter, a creditor is subject to
9 all remedies and penalties authorized by Chapter 14.

10 SECTION 2. Chapter 353, Finance Code, as added by this Act,
11 applies only to an extension of consumer credit made on or after the
12 effective date of this Act. An extension of consumer credit made
13 before the effective date of this Act is governed by the law in
14 effect on the date the extension of consumer credit was made, and
15 the former law is continued in effect for that purpose.

16 SECTION 3. This Act takes effect September 1, 2011.