

By: Eltife

S.B. No. 1127

A BILL TO BE ENTITLED

1 AN ACT
2 relating to fees paid to the consumer credit commissioner and to
3 fees and interest charged in connection with consumer credit
4 transactions.

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

6 SECTION 1. Section 14.107(b), Finance Code, is amended to
7 read as follows:

8 (b) The finance commission by rule shall set the fees for
9 licensing and examination under Chapter 342, 345, 347, 348, 351, or
10 371 at amounts or rates necessary to recover the costs of
11 administering those chapters. The rules may provide that the
12 amount of a fee charged to a license holder is based on the volume of
13 the license holder's regulated business and other key factors. The
14 commissioner may provide for collection of a single annual fee from
15 a person licensed under Chapter 342, 345, 347, 348, 351, or 371 to
16 include amounts due for both licensing and examination.

17 SECTION 2. Section 303.009(d), Finance Code, is amended to
18 read as follows:

19 (d) For an open-end account credit agreement that provides
20 for credit card transactions on which a merchant discount is not
21 imposed or received by the creditor or a retail charge agreement
22 under Chapter 345 without a merchant discount, the ceiling is 21
23 percent a year.

24 SECTION 3. Section 303.203(a), Finance Code, is amended to

1 read as follows:

2 (a) A lender may, at the time or after a loan is made, offer
3 to sell to the borrower and finance in a ~~[the]~~ loan contract subject
4 to this subtitle a charge for an automobile club membership.

5 SECTION 4. Section 342.004(b), Finance Code, is amended to
6 read as follows:

7 (b) A loan providing for an effective ~~[a]~~ rate of interest
8 that is 10 percent a year or less is not subject to this chapter.

9 SECTION 5. Section 342.502(d), Finance Code, is amended to
10 read as follows:

11 (d) On a loan subject to this chapter a lender may assess and
12 collect a fee that does not exceed the amount prescribed by Section
13 3.506, Business & Commerce Code ~~[Chapter 617, Acts of the 68th~~
14 ~~Legislature, Regular Session, 1983 (Article 9022, Vernon's Texas~~
15 ~~Civil Statutes)]~~, for the return by a depository institution of a
16 dishonored check, negotiable order of withdrawal, or share draft
17 offered in full or partial payment of a loan.

18 SECTION 6. The heading to Subchapter D, Chapter 345,
19 Finance Code, is amended to read as follows:

20 SUBCHAPTER D. ALTERNATE FINANCE CHARGE ~~[MARKET COMPETITIVE RATE]~~

21 CEILING

22 SECTION 7. Section 345.155, Finance Code, is amended to
23 read as follows:

24 Sec. 345.155. TIME PRICE DIFFERENTIAL COMPUTATION AND
25 AMOUNT. (a) A time price differential authorized under Subchapter
26 C ~~[this subchapter]~~ shall be computed using the average daily
27 balance method.

1 (b) If the amount of a time price differential otherwise
2 authorized under Subchapter C [~~this subchapter~~] for a billing cycle
3 in which a balance is due is less than 75 cents a month, the holder
4 may charge an amount that does not exceed 75 cents a month.

5 SECTION 8. Section 345.157(a), Finance Code, is amended to
6 read as follows:

7 (a) A retail charge agreement [~~that implements the market~~
8 ~~competitive rate ceiling~~] may provide for the payment of:

9 (1) a delinquency charge on each installment that is
10 in default for a period that is longer than 21 days;

11 (2) an attorney's reasonable fee if the agreement is
12 referred for collection to an attorney who is not a salaried
13 employee of the holder; and

14 (3) court costs and disbursements.

15 SECTION 9. Section 345.351(a), Finance Code, is amended to
16 read as follows:

17 (a) A holder who is not an authorized lender under Chapter
18 342 or a credit union shall:

19 (1) register with the Office of Consumer Credit
20 Commissioner; and

21 (2) pay an annual fee in an amount determined as
22 provided by Section 14.107 [~~of \$10~~] for each location at which a
23 retail installment transaction is originated, serviced, or
24 collected.

25 SECTION 10. Section 346.103(a), Finance Code, is amended to
26 read as follows:

27 (a) The following fees may be charged to or collected from a

1 customer in connection with an account under this chapter:

2 (1) an annual fee not to exceed:

3 (A) \$50 a year on an account with a credit limit
4 of \$5,000 or less;

5 (B) \$75 a year on an account with a credit limit
6 exceeding \$5,000 but not exceeding \$25,000; and

7 (C) \$125 a year on an account with a credit limit
8 exceeding \$25,000;

9 (2) a late charge not to exceed the lesser of \$15 or
10 five percent of the payment due after the payment continues unpaid
11 for 10 days or more after the date the payment is due, including
12 Sundays and holidays;

13 (3) a cash advance charge not to exceed the greater of
14 \$2 or two percent of the cash advance;

15 (4) a returned check fee as provided for a loan
16 agreement under Chapter 342 by Section 3.506, Business & Commerce
17 Code [~~Section 1, Chapter 617, Acts of the 68th Legislature, Regular~~
18 ~~Session, 1983 (Article 9022, Vernon's Texas Civil Statutes)] ; and~~

19 (5) a fee for exceeding a credit limit not to exceed
20 the greater of \$15 or five percent of the amount by which the credit
21 limit is exceeded.

22 SECTION 11. Section 347.451(a), Finance Code, is amended to
23 read as follows:

24 (a) A creditor who is not an authorized lender under Chapter
25 342 or a credit union shall:

26 (1) register with the Office of Consumer Credit
27 Commissioner; and

1 (2) pay an annual fee in an amount determined as
2 provided by Section 14.107 [~~of \$15~~] for each location at which a
3 credit transaction is originated, serviced, or collected.

4 SECTION 12. Section 371.106(a), Finance Code, is amended to
5 read as follows:

6 (a) Not later than December 1, a pawnshop employee license
7 holder shall pay to the commissioner an annual fee in an amount
8 determined as provided by Section 14.107 [~~of \$15~~] for the year
9 beginning the next January 1.

10 SECTION 13. Section 345.153, Finance Code, is repealed.

11 SECTION 14. This Act takes effect September 1, 2011.