

By: Carona

S.B. No. 824

A BILL TO BE ENTITLED

AN ACT

relating to the administrative fee authorized for certain consumer loans; changing the amount of the fee.

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

SECTION 1. Section 342.201(f), Finance Code, is amended to read as follows:

(f) A loan contract under this subchapter may provide for an administrative fee in an amount not to exceed five percent of the total amount financed or \$100, whichever is less [~~\$25 for a loan of more than \$1,000 or \$20 for a loan of \$1,000 or less~~]. The administrative fee is considered earned when the loan is made or refinanced and is not subject to refund. A lender refinancing the loan may not contract for or receive an administrative fee for the loan more than once in any 180-day period, except that if the loan has an interest charge authorized by Subsection (e) the lender may not contract for or receive the administrative fee more than once in any 365-day period. One dollar of each administrative fee may be deposited with the comptroller for use in carrying out the finance commission's responsibilities under Section 11.3055.

SECTION 2. Section 342.201(f), Finance Code, as amended by this Act, applies to a loan that is made or refinanced on or after the effective date of this Act. A loan that is made or refinanced before the effective date of this Act is governed by the law in effect on the date the loan was made or refinanced, and the former

1 law is continued in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2013.