

By: Rodriguez

S.B. No. 1689

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of credit access businesses.

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

SECTION 1. Section 393.604(a), Finance Code, is amended to read as follows:

(a) An application for a license under this subchapter must:

(1) be under oath;

(2) give the approximate location from which the business is to be conducted;

(3) contain [identify] the names, physical addresses, mailing addresses, and telephone numbers of the business's principal parties in interest, and the nature and extent of their interests in the business;

(4) contain the name, physical address, and telephone number of all third-party lender organizations with which the business contracts to provide services described by Section 393.602(a) or from which the business arranges extensions of consumer credit described by Section 393.602(a); and

(5) contain other relevant information that the commissioner requires for the findings required under Section 393.607.

SECTION 2. Section 393.620, Finance Code, is amended to read as follows:

Sec. 393.620. TRANSFER OR ASSIGNMENT OF LICENSE

1 PROHIBITED. A license may not be transferred or assigned [~~only~~
2 ~~with the approval of the commissioner~~].

3 SECTION 3. Subchapter G, Chapter 393, Finance Code, is
4 amended by adding Sections 393.629 and 393.630 to read as follows:

5 Sec. 393.629. MAINTENANCE OF RECORDS. A credit access
6 business shall maintain a complete set of records of all extensions
7 of consumer credit obtained for consumers by the business or that
8 the business assisted consumers in obtaining. The records must
9 include:

10 (1) the name and address of each consumer; and

11 (2) the principal amount of the advance or loan.

12 Sec. 393.630. ROLLOVER FEES PROHIBITED. (a) A credit
13 access business may not charge a fee or other valuable
14 consideration to obtain for a consumer or assist a consumer in
15 obtaining an extension of consumer credit in which a deferred
16 presentment transaction or motor vehicle title loan is being
17 renewed, rolled over, or otherwise consolidated by a lender.

18 (b) For purposes of this section, "roll over" means:

19 (1) to refinance or pay all or part of the finance
20 charges and cash advance of a deferred presentment transaction with
21 a new deferred presentment transaction; or

22 (2) to refinance or pay all or part of the principal
23 amount and finance charges of a motor vehicle title loan with a new
24 motor vehicle title loan.

25 SECTION 4. This Act takes effect September 1, 2013.