

By: McClendon

H.B. No. 371

A BILL TO BE ENTITLED

AN ACT

relating to certain extensions of consumer credit facilitated by a credit access business for certain military personnel or their dependents.

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

SECTION 1. Section 393.625, Finance Code, is amended to read as follows:

Sec. 393.625. MILITARY BORROWERS. (a) An extension of consumer credit [~~described by Section 393.602(a)~~] that is obtained by a credit access business for a member of the United States military or a dependent of a member of the United States military or that the business assisted that person in obtaining must comply with 10 U.S.C. Section 987 and any regulations adopted under that law, to the extent applicable.

(b) With respect to a consumer who is a "covered member" or a "dependent" of a covered member, as those terms are defined by 10 U.S.C. Section 987, the term of an extension of consumer credit in the form of a deferred presentment transaction or motor vehicle title loan, including all renewals and refinances, obtained for the consumer by a credit access business or that a credit access business assists the consumer in obtaining may not exceed:

(1) 90 days, if the debt is a deferred presentment transaction; or

(2) 180 days, if the debt is a motor vehicle title

1 loan.

2 (c) With respect to a consumer who is a member of the reserve
3 component of the United States armed forces, including the national
4 guard, or a dependent of those reserve members, the term of an
5 extension of consumer credit in the form of a deferred presentment
6 transaction or motor vehicle title loan, including all renewals and
7 refinances, obtained for the consumer by a credit access business
8 or that a credit access business assists the consumer in obtaining
9 may not exceed:

10 (1) 90 days, if the debt is a deferred presentment
11 transaction; or

12 (2) 180 days, if the debt is a motor vehicle title
13 loan.

14 (d) For purposes of Subsection (c), "dependent," with
15 respect to a member of the reserve component of the United States
16 armed forces, means the spouse or a child of the member.

17 SECTION 2. The changes in law made by this Act apply only to
18 an extension of consumer credit made on or after the effective date
19 of this Act. An extension of consumer credit made before the
20 effective date of this Act is governed by the law in effect on the
21 date the extension of consumer credit was made, and the former law
22 is continued in effect for that purpose.

23 SECTION 3. This Act takes effect September 1, 2015.