

By: Peña

H.B. No. 2803

A BILL TO BE ENTITLED

1 AN ACT
2 relating to notice requirements for licensed lenders of deferred
3 presentment transactions and motor vehicle certificate of title
4 loans; adding a provision subject to a criminal penalty.

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

6 SECTION 1. Subchapter M, Chapter 342, Finance Code, is
7 amended by adding Section 342.606 to read as follows:

8 Sec. 342.606. NOTICE REQUIREMENTS. (a) In this section,
9 the term "deferred presentment transaction," as defined by Section
10 341.001, is also referred to as a "payday loan."

11 (b) A lender that makes a deferred presentment transaction
12 shall prominently and conspicuously post at the lender's place of
13 business a sign that is at least 11 inches by 17 inches in size,
14 stating in letters at least one inch high: "YOU MAY REPORT ANY
15 CONCERNS OR COMPLAINTS ABOUT A PERSON THAT MAKES PAYDAY LOANS OR
16 AUTO TITLE LOANS TO THE OFFICE OF CONSUMER CREDIT COMMISSIONER BY
17 CALLING THE OFFICE'S CONSUMER ASSISTANCE HELP LINE AT
18 1-800-538-1579."

19 (c) The lender shall post the sign required by Subsection
20 (b) in:

21 (1) the general waiting area for borrowers at the
22 lender's place of business; or

23 (2) each room where the lender conducts business with
24 a borrower, if the lender's place of business does not have a

1 general waiting area.

2 (d) On the request of a customer, the lender shall provide
3 the complaint information contained in the notice to the customer
4 in writing.

5 SECTION 2. Chapter 342, Finance Code, is amended by adding
6 Subchapter N to read as follows:

7 SUBCHAPTER N. MOTOR VEHICLE CERTIFICATE OF TITLE LOANS

8 Sec. 342.651. DEFINITIONS. In this subchapter:

9 (1) "Lender" means a lender licensed under this
10 chapter.

11 (2) "Motor vehicle certificate of title loan" means a
12 loan in which a motor vehicle certificate of title is given as
13 security for a loan. The term is also referred to as an "auto title
14 loan."

15 Sec. 342.652. INAPPLICABILITY OF SUBCHAPTER. This
16 subchapter does not apply to a retail installment transaction under
17 Chapter 348 or other loan made to finance the purchase of a motor
18 vehicle.

19 Sec. 342.653. NOTICE REQUIREMENTS. (a) A lender that makes
20 a motor vehicle certificate of title loan shall prominently and
21 conspicuously post at the lender's place of business a sign that is
22 at least 11 inches by 17 inches in size, stating in letters at least
23 one inch high: "YOU MAY REPORT ANY CONCERNS OR COMPLAINTS ABOUT A
24 PERSON THAT MAKES PAYDAY LOANS OR AUTO TITLE LOANS TO THE OFFICE OF
25 CONSUMER CREDIT COMMISSIONER BY CALLING THE OFFICE'S CONSUMER
26 ASSISTANCE HELP LINE AT 1-800-538-1579."

27 (b) The lender shall post the sign required by Subsection

1 (a) in:

2 (1) the general waiting area for borrowers at the
3 lender's place of business; or

4 (2) in each room where the lender conducts business
5 with a borrower, if the lender's place of business does not have a
6 general waiting area.

7 (c) On the request of a customer, the lender shall provide
8 the complaint information contained in the notice to the customer
9 in writing.

10 SECTION 3. The heading to Subchapter B, Chapter 393,
11 Finance Code, is amended to read as follows:

12 SUBCHAPTER B. REGISTRATION; ~~[AND]~~ DISCLOSURE STATEMENTS; NOTICES

13 SECTION 4. Subchapter B, Chapter 393, Finance Code, is
14 amended by adding Section 393.107 to read as follows:

15 Sec. 393.107. NOTICE REQUIREMENTS. (a) In this section:

16 (1) "Deferred presentment transaction" has the
17 meaning assigned by Section 341.001. The term is also referred to
18 as a "payday loan."

19 (2) "Motor vehicle certificate of title loan" has the
20 meaning assigned by Section 342.651. The term is also referred to
21 as an "auto title loan."

22 (b) This section applies only to a credit services
23 organization that obtains or otherwise assists in obtaining for
24 consumers an extension of consumer credit in the form of a deferred
25 presentment transaction or a motor vehicle certificate of title
26 loan. This section does not apply to a retail installment
27 transaction under Chapter 348 or other loan made to finance the

1 purchase of a motor vehicle.

2 (c) A credit services organization shall prominently and
3 conspicuously post at the organization's place of business a sign
4 that is at least 11 inches by 17 inches in size, stating in letters
5 at least one inch high: "YOU MAY REPORT ANY CONCERNS OR COMPLAINTS
6 ABOUT A PERSON THAT OBTAINS OR ASSISTS IN OBTAINING PAYDAY LOANS OR
7 AUTO TITLE LOANS TO THE OFFICE OF CONSUMER CREDIT COMMISSIONER BY
8 CALLING THE OFFICE'S CONSUMER ASSISTANCE HELP LINE AT
9 1-800-538-1579."

10 (d) The credit services organization shall post the sign
11 required by Subsection (c) in:

12 (1) the general waiting area for consumers at the
13 organization's place of business; or

14 (2) in each room where the organization conducts
15 business with a consumer, if the organization's place of business
16 does not have a general waiting area.

17 (e) On the request of a consumer, a credit services
18 organization shall provide the complaint information contained in
19 the notice to the consumer in writing.

20 (f) The Finance Commission of Texas may adopt rules to
21 implement this section.

22 SECTION 5. This Act takes effect September 1, 2015.