

By: Turner of Tarrant

H.B. No. 3638

A BILL TO BE ENTITLED

1 AN ACT

2 relating to reports for credit access businesses required by the
3 consumer credit commissioner; amending provisions subject to a
4 criminal penalty.

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

6 SECTION 1. Sections 393.622(a) and (b), Finance Code, are
7 amended to read as follows:

8 (a) The finance commission may:

9 (1) adopt rules necessary to enforce and administer
10 this subchapter;

11 (2) adopt rules with respect to reports of summary
12 business information required to be submitted [~~the quarterly~~
13 ~~reporting~~] by a licensed credit access business under Section
14 393.627 and [~~licensed under this subchapter of summary business~~
15 ~~information relating to extensions of consumer credit described by~~
16 ~~Section 393.602(a)~~]; [and]

17 (3) adopt rules with respect to periodic examination
18 by the office relating to extensions of consumer credit the
19 business obtained for a consumer or assisted a consumer in
20 obtaining [~~described by Section 393.602(a)~~], including rules
21 related to charges for defraying the reasonable cost of conducting
22 the examinations.

23 (b) The finance commission may adopt rules under this
24 section to allow the commissioner to review, as part of a periodic

1 examination, any relevant contracts between the credit access
2 business and the third-party lender organizations with which the
3 credit access business contracts to provide services [~~described by~~
4 ~~Section 393.602(a)~~] or from which the business arranges extensions
5 of consumer credit [~~described by Section 393.602(a)~~]. A contract
6 or information obtained by the commissioner under this section is
7 considered proprietary and confidential to the respective parties
8 to the contract, and is not subject to disclosure under Chapter 552,
9 Government Code.

10 SECTION 2. Section 393.627, Finance Code, is amended to
11 read as follows:

12 Sec. 393.627. REPORTS [~~QUARTERLY REPORT~~] TO COMMISSIONER.

13 (a) A credit access business shall file a quarterly report with the
14 commissioner on a form prescribed by the commissioner that provides
15 the following information relating to extensions of consumer credit
16 [~~described by Section 393.602(a)~~] during the preceding quarter:

17 (1) the number of consumers for whom the business
18 obtained or assisted in obtaining those extensions of consumer
19 credit;

20 (2) the number of those extensions of consumer credit
21 obtained by the business or that the business assisted consumers in
22 obtaining;

23 (3) the number of refinancing transactions of the
24 extensions of consumer credit described by Subdivision (2);

25 (4) the number of consumers refinancing the extensions
26 of consumer credit described by Subdivision (2);

27 (5) the number of consumers refinancing more than once

1 the extensions of consumer credit described by Subdivision (2);

2 (6) the average amount of the extensions of consumer
3 credit described by Subdivision (2);

4 (7) the total amount of fees charged by the business
5 for the activities described by Subdivision (1);

6 (8) the number of vehicles surrendered or repossessed
7 under the terms of an extension of consumer credit in the form of a
8 motor vehicle title loan obtained by the business or that the
9 business assisted a consumer in obtaining; and

10 (9) ~~[the mean, median, and mode of the number of~~
11 ~~extensions of consumer credit obtained by consumers as a result of~~
12 ~~entering into the extensions of consumer credit described by~~
13 ~~Subdivision (2); and~~

14 ~~[(10)]~~ any related information the commissioner
15 determines necessary.

16 (b) A credit access business shall file an annual report
17 with the commissioner for each licensed location on a form
18 prescribed by the commissioner that provides the following
19 information relating to extensions of consumer credit during the
20 preceding year:

21 (1) the number of extensions of consumer credit paid
22 in full or otherwise closed for reduced payoff without a refinance;

23 (2) the number of refinances of extensions of consumer
24 credit entered into before the extensions of consumer credit were
25 paid in full or otherwise closed for a reduced payoff;

26 (3) the total amount of fees charged by the credit
27 access business in connection with extensions of consumer credit;

1 (4) the number of consumers whom the credit access
2 business assisted in obtaining an extension of consumer credit;

3 (5) the number of consumers refinancing the extensions
4 of consumer credit described by Subdivision (2);

5 (6) the number of consumers refinancing more than once
6 the extensions of consumer credit described by Subdivision (2);

7 (7) the total dollar amount of extensions of consumer
8 credit that the credit access business assisted consumers in
9 obtaining;

10 (8) for motor vehicles surrendered or repossessed
11 under the terms of extensions of consumer credit in the form of
12 motor vehicle title loans obtained by the business for consumers or
13 that the business assisted consumers in obtaining:

14 (A) the median amount of cash advanced under the
15 extensions of consumer credit;

16 (B) the total dollar amount of fees collected by
17 the credit access business from consumers before the surrender or
18 repossession of the vehicles;

19 (C) the total dollar amount of fees and other
20 charges collected by the credit access business related to the
21 surrender or repossession of the vehicles; and

22 (D) the total dollar amount returned to borrowers
23 after the sale of the surrendered or repossessed vehicles; and

24 (9) any related information the commissioner
25 determines necessary.

26 (c) All information submitted by a credit access business to
27 the commissioner for inclusion in a report under this section is

1 confidential.

2 (d) The commissioner shall publish a statewide consolidated
3 analysis and recapitulation of reports filed under this section
4 that includes an analysis of:

5 (1) the 15 largest metropolitan statistical areas of
6 this state;

7 (2) the five largest counties of this state; and

8 (3) the 10 largest municipalities of this state.

9 SECTION 3. The changes in law made by this Act apply only to
10 the reporting of information regarding an extension of consumer
11 credit made on or after the effective date of this Act. The
12 reporting of information regarding an extension of consumer credit
13 made before the effective date of this Act is governed by the law in
14 effect on the date the extension of consumer credit was made, and
15 the former law is continued in effect for that purpose. For
16 purposes of this section, a refinance or renewal of an extension of
17 consumer credit is considered made on the date the extension of
18 consumer credit being refinanced or renewed was made.

19 SECTION 4. This Act takes effect September 1, 2015.