

1-1 By: West S.B. No. 121  
 1-2 (In the Senate - Filed November 10, 2014; January 27, 2015,  
 1-3 read first time and referred to Committee on Business and Commerce;  
 1-4 May 12, 2015, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 5, Nays 2; May 12, 2015,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

|      | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-8  | X   |     |        |     |
| 1-9  |     | X   |        |     |
| 1-10 |     |     |        |     |
| 1-11 | X   |     |        |     |
| 1-12 |     |     | X      |     |
| 1-13 |     |     | X      |     |
| 1-14 | X   |     |        |     |
| 1-15 |     | X   |        |     |
| 1-16 | X   |     |        |     |
| 1-17 | X   |     |        |     |

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 121 By: Watson

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to credit services organizations and extensions of  
 1-22 consumer credit facilitated by credit services organizations;  
 1-23 providing civil and administrative penalties.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Subchapter M, Chapter 342, Finance Code, is  
 1-26 amended by adding Section 342.607 to read as follows:

1-27 Sec. 342.607. DEFERRED PRESENTMENT TRANSACTION DATA  
 1-28 COLLECTION SYSTEM. (a) In this section, "credit access business"  
 1-29 has the meaning assigned by Section 393.001(2-a).

1-30 (b) The commissioner shall establish and implement a  
 1-31 database for the compilation of information relating to deferred  
 1-32 presentment transactions that allows the commissioner or persons  
 1-33 who offer, service, or broker the transactions, including a credit  
 1-34 access business, to determine:

1-35 (1) whether an individual seeking to enter into a  
 1-36 deferred presentment transaction with the person has any  
 1-37 outstanding deferred presentment transactions entered into with  
 1-38 other persons;

1-39 (2) the total number of outstanding deferred  
 1-40 presentment transactions entered into by the individual described  
 1-41 by Subdivision (1) with other persons; and

1-42 (3) whether the person is in compliance with this  
 1-43 section and other provisions of law governing deferred presentment  
 1-44 transactions.

1-45 (c) The commissioner shall contract with a third-party  
 1-46 vendor to operate the database required by this section. In  
 1-47 selecting the vendor, the commissioner shall:

1-48 (1) consider the vendor's ability to meet the  
 1-49 requirements of this section;

1-50 (2) consider the cost of the vendor's services;

1-51 (3) give strong consideration to the vendor's ability  
 1-52 to prevent fraud, abuse, and other unlawful activity associated  
 1-53 with deferred presentment transactions;

1-54 (4) give strong consideration to whether the vendor  
 1-55 operates a similar database in another state; and

1-56 (5) give strong consideration to whether the vendor's  
 1-57 operation of the database would facilitate the enforcement of laws  
 1-58 governing deferred presentment transactions and the persons who  
 1-59 offer, service, or broker those transactions.

1-60 (d) The commissioner shall ensure that:

2-1                   (1) the third-party vendor operating the database  
2-2 operates the database in accordance with this section and rules  
2-3 adopted by the finance commission under this section; and  
2-4                   (2) the database established under this section:  
2-5                   (A) allows persons required to submit  
2-6 information to the database to submit and access the required  
2-7 information from any location in this state;  
2-8                   (B) provides real-time access by the  
2-9 commissioner to information contained in the database from any  
2-10 location in this state; and  
2-11                   (C) contains safeguards to ensure that  
2-12 information contained in the database may not be accessed by an  
2-13 unauthorized person.  
2-14                   (e) A person who offers, services, or brokers a deferred  
2-15 presentment transaction, including a credit access business, shall  
2-16 submit to the database at the time the transaction is entered into  
2-17 data relating to the transaction that the commissioner, by rule of  
2-18 the finance commission, determines necessary.  
2-19                   (f) Information in the database is confidential and is not  
2-20 subject to disclosure under Chapter 552, Government Code.  
2-21                   (g) The finance commission shall adopt rules as necessary to  
2-22 implement this section, including rules:  
2-23                   (1) relating to the form and content of information to  
2-24 be submitted to the database;  
2-25                   (2) prescribing a fee to be paid by persons required to  
2-26 submit information to be included in the database under Subsection  
2-27 (e); and  
2-28                   (3) establishing requirements for the retention,  
2-29 archiving, and deletion of information entered into or stored in  
2-30 the database.  
2-31                   (h) The third-party vendor shall charge a person who offers,  
2-32 services, or brokers a deferred presentment transaction a fee to  
2-33 access or use the database under this section. The fee may be  
2-34 charged on a per-transaction basis and may be used only to pay the  
2-35 costs associated with the maintenance of the database under this  
2-36 section. The finance commission by rule must approve the amount of  
2-37 the fee, which may not exceed \$1 per deferred presentment  
2-38 transaction.  
2-39                   (i) A person who ceases to offer, service, or broker  
2-40 deferred presentment transactions shall continue to submit  
2-41 information required by this section for any transactions that are  
2-42 outstanding and with respect to which the person continues  
2-43 collection efforts. Not later than the 10th day after the date the  
2-44 person ceases to offer deferred presentment transactions, the  
2-45 person shall submit to the commissioner for approval a plan for  
2-46 continuing compliance with this section. The commissioner shall  
2-47 promptly approve or disapprove the plan. The commissioner may  
2-48 require a person to whom this subsection applies to submit a new or  
2-49 modified plan.  
2-50                   SECTION 2. Section 392.301(a), Finance Code, is amended to  
2-51 read as follows:  
2-52                   (a) In debt collection, a debt collector may not use  
2-53 threats, coercion, or attempts to coerce that employ any of the  
2-54 following practices:  
2-55                   (1) using or threatening to use violence or other  
2-56 criminal means to cause harm to a person or property of a person;  
2-57                   (2) accusing falsely or threatening to accuse falsely  
2-58 a person of fraud or any other crime;  
2-59                   (3) representing or threatening to represent to any  
2-60 person other than the consumer that a consumer is wilfully refusing  
2-61 to pay a nondisputed consumer debt when the debt is in dispute and  
2-62 the consumer has notified in writing the debt collector of the  
2-63 dispute;  
2-64                   (4) threatening to sell or assign to another the  
2-65 obligation of the consumer and falsely representing that the result  
2-66 of the sale or assignment would be that the consumer would lose a  
2-67 defense to the consumer debt or would be subject to illegal  
2-68 collection attempts;  
2-69                   (5) threatening that the debtor will be arrested for

3-1 nonpayment of a consumer debt without proper court proceedings;  
 3-2 (6) threatening to file a charge, complaint, or  
 3-3 criminal action against a debtor when the debtor has not violated a  
 3-4 criminal law;  
 3-5 (7) threatening that nonpayment of a consumer debt  
 3-6 will result in the seizure, repossession, or sale of the person's  
 3-7 property without proper court proceedings;  
 3-8 (8) referencing a certification signed by the consumer  
 3-9 as required by Section 393.630(b) or any penalties associated with  
 3-10 a violation of that section; or  
 3-11 (9) [~~8~~] threatening to take an action prohibited by  
 3-12 law.

3-13 SECTION 3. Section 393.001, Finance Code, is amended by  
 3-14 amending Subdivisions (1) and (3) and adding Subdivisions (1-a),  
 3-15 (2-a), (3-a), (4-a), (5), (6), (7), (8), (9), (10), (11), (12), and  
 3-16 (13) to read as follows:

3-17 (1) "Commissioner" means the consumer credit  
 3-18 commissioner.

3-19 (1-a) "Consumer" means an individual who is solicited  
 3-20 to purchase or who purchases the services of a credit services  
 3-21 organization.

3-22 (2-a) "Credit access business" means a credit services  
 3-23 organization that obtains for a consumer or assists a consumer in  
 3-24 obtaining an extension of consumer credit.

3-25 (3) "Credit services organization" means a person who  
 3-26 provides, or represents that the person can or will provide, for the  
 3-27 payment of valuable consideration any of the following services  
 3-28 with respect to the extension of consumer credit by others:

3-29 (A) improving a consumer's credit history or  
 3-30 rating;

3-31 (B) obtaining an extension of consumer credit for  
 3-32 a consumer in the form of a single-payment deferred presentment  
 3-33 transaction, a multiple-payment deferred presentment transaction,  
 3-34 a single-payment motor vehicle title loan, or a multiple-payment  
 3-35 motor vehicle title loan; or

3-36 (C) providing advice or assistance to a consumer  
 3-37 with regard to Paragraph (A) or (B).

3-38 (3-a) "Deferred presentment transaction" means a  
 3-39 single-payment or multiple-payment transaction defined as a  
 3-40 deferred presentment transaction by Section 341.001 in connection  
 3-41 with which the consumer is not required to provide real or personal  
 3-42 property as security.

3-43 (4-a) "Finance commission" means the Finance  
 3-44 Commission of Texas.

3-45 (5) "Military borrower" includes a "covered member" or  
 3-46 a "dependent" of a covered member, as those terms are defined by 10  
 3-47 U.S.C. Section 987 or a successor statute.

3-48 (6) "Motor vehicle title loan" means a single-payment  
 3-49 or multiple-payment loan in which an unencumbered motor vehicle is  
 3-50 given as the only security for the loan, except as provided by  
 3-51 Section 393.629(c). The term does not include a retail installment  
 3-52 transaction under Chapter 348 or another loan made to finance the  
 3-53 purchase of a motor vehicle.

3-54 (7) "Multiple-payment deferred presentment  
 3-55 transaction" means a deferred presentment transaction that is not a  
 3-56 single-payment deferred presentment transaction.

3-57 (8) "Multiple-payment motor vehicle title loan" means  
 3-58 a motor vehicle title loan that is not a single-payment motor  
 3-59 vehicle title loan.

3-60 (9) "Office" means the Office of Consumer Credit  
 3-61 Commissioner.

3-62 (10) "Refinance" means a rollover, renewal, or other  
 3-63 type of transaction in which all or a portion of the principal,  
 3-64 fees, or interest due under an outstanding extension of consumer  
 3-65 credit becomes due on a later date. The term does not include an  
 3-66 extended payment plan described by Section 393.638. The term  
 3-67 includes a new extension of consumer credit that:

3-68 (A) consists of debt arising from principal,  
 3-69 fees, or interest that was not paid in full under an outstanding or

4-1 previous extension of consumer credit; or  
4-2 (B) is made on or before the seventh day after the  
4-3 date a previous extension of consumer credit that a credit access  
4-4 business obtained for a consumer or assisted a consumer in  
4-5 obtaining was paid in full.  
4-6 (11) "Service" means an act, conduct, or activity that  
4-7 is performed or to be performed for a consumer's benefit or that  
4-8 involves assisting a consumer in obtaining an extension of consumer  
4-9 credit, including:  
4-10 (A) negotiating or closing a loan or other  
4-11 extension of consumer credit;  
4-12 (B) issuing a guaranty, letter of credit, or  
4-13 other credit enhancement; and  
4-14 (C) servicing an extension of consumer credit.  
4-15 (12) "Single-payment deferred presentment  
4-16 transaction" means a deferred presentment transaction for which the  
4-17 entire cash advance, interest, and fees are required under the  
4-18 terms of the transaction to be payable in a single payment.  
4-19 (13) "Single-payment motor vehicle title loan" means a  
4-20 motor vehicle title loan for which the entire principal, interest,  
4-21 and fees are required under the terms of the loan to be payable in a  
4-22 single payment.  
4-23 SECTION 4. Section 393.201, Finance Code, is amended by  
4-24 amending Subsections (b) and (c) and adding Subsection (d) to read  
4-25 as follows:  
4-26 (b) In addition to the notice required by Section 393.202,  
4-27 the contract must:  
4-28 (1) contain the payment terms, including the total  
4-29 payments to be made by the consumer, whether to the organization or  
4-30 to another person;  
4-31 (2) fully describe the services the organization shall  
4-32 ~~[is to]~~ perform for the consumer or on behalf of a third party,  
4-33 including each guarantee and each promise of a full or partial  
4-34 refund and the estimated period for performing and completing all  
4-35 of the services, not to exceed 180 days or the period permitted  
4-36 under an extended payment plan authorized by Subchapter G;  
4-37 (3) contain the address of the organization's  
4-38 principal place of business; and  
4-39 (4) contain the name and address of the organization's  
4-40 agent in this state authorized to receive service of process.  
4-41 (c) A contract with a credit access business ~~[, as defined by~~  
4-42 ~~Section 393.601,~~ for the performance of services ~~[described by~~  
4-43 ~~Section 393.602(a)]~~ must, in addition to the requirements of  
4-44 Subsection (b) and Section 393.302:  
4-45 (1) contain a statement that there is no prepayment  
4-46 penalty;  
4-47 (2) contain a statement that a credit access business  
4-48 must comply with Chapter 392 and the federal Fair Debt Collection  
4-49 Practices Act (15 U.S.C. Section 1692 et seq.) with respect to an  
4-50 extension of consumer credit ~~[described by Section 393.602(a)];~~  
4-51 (3) contain a statement that a person may not threaten  
4-52 or pursue criminal charges against a consumer related to a check or  
4-53 other debit authorization provided by the consumer as security for  
4-54 a transaction in the absence of forgery, fraud, theft, or other  
4-55 criminal conduct;  
4-56 (4) contain a statement that a credit access business  
4-57 must comply, to the extent applicable, with 10 U.S.C. Section 987  
4-58 and any regulations adopted under that law with respect to an  
4-59 extension of consumer credit ~~[described by Section 393.602(a)];~~  
4-60 (5) disclose to the consumer:  
4-61 (A) the lender from whom the extension of  
4-62 consumer credit is obtained;  
4-63 (B) the interest paid or to be paid to the lender;  
4-64 and  
4-65 (C) the specific fees that will be paid to the  
4-66 credit access business for the business's services and to any third  
4-67 party; ~~and~~  
4-68 (6) contain the name and address of the office, the  
4-69 office's website address, ~~[Office of Consumer Credit Commissioner]~~

5-1 and the telephone number of the office's consumer helpline; and  
5-2 (7) use model contract clauses adopted by rule of the  
5-3 finance commission.

5-4 (d) The finance commission shall adopt rules to implement  
5-5 this section.

5-6 SECTION 5. Section 393.222, Finance Code, is amended by  
5-7 adding Subsection (a-1) to read as follows:

5-8 (a-1) A credit access business shall post, in the same  
5-9 manner as a notice required under Subsection (a), and provide as a  
5-10 separate document to a consumer, a notice prescribed by the finance  
5-11 commission regarding the availability of extended payment plans  
5-12 that describes the basic features of the plans.

5-13 SECTION 6. Section 393.223(a), Finance Code, is amended to  
5-14 read as follows:

5-15 (a) Before performing services described by Section  
5-16 393.001(2-a) [393.221(1)], a credit access business must provide to  
5-17 a consumer a disclosure adopted by rule of the finance commission  
5-18 [Finance Commission of Texas] that discloses the following in a  
5-19 form prescribed by the commission:

5-20 (1) the interest, fees, and annual percentage rates,  
5-21 as applicable, to be charged on a deferred presentment transaction  
5-22 or on a motor vehicle title loan, as applicable, in comparison to  
5-23 interest, fees, and annual percentage rates to be charged on other  
5-24 alternative forms of consumer debt;

5-25 (2) the amount of accumulated fees a consumer would  
5-26 incur by renewing or refinancing a deferred presentment transaction  
5-27 or motor vehicle title loan that remains outstanding for a period of  
5-28 two weeks, one month, two months, and three months; ~~and~~

5-29 (3) information regarding the typical pattern of  
5-30 repayment of deferred presentment transactions and motor vehicle  
5-31 title loans; and

5-32 (4) the name of the credit access business and any  
5-33 unique number assigned to the license issued to the business under  
5-34 Subchapter G.

5-35 SECTION 7. Subchapter D, Chapter 393, Finance Code, is  
5-36 amended by adding Sections 393.308 and 393.309 to read as follows:

5-37 Sec. 393.308. PROHIBITION ON OBTAINING CERTAIN LOANS OR  
5-38 EXTENSIONS OF CREDIT. (a) A credit services organization may not  
5-39 obtain for a consumer or assist a consumer in obtaining an extension  
5-40 of consumer credit in any form other than in the form of a  
5-41 single-payment deferred presentment transaction, a  
5-42 multiple-payment deferred presentment transaction, a  
5-43 single-payment motor vehicle title loan, or a multiple-payment  
5-44 motor vehicle title loan.

5-45 (b) A credit services organization may obtain for a consumer  
5-46 or assist a consumer in obtaining a loan or other extension of  
5-47 consumer credit only if the loan or extension of consumer credit is  
5-48 in the form of a deferred presentment transaction or motor vehicle  
5-49 title loan described by Subsection (a) made by a third-party lender  
5-50 that is unaffiliated with the credit services organization and does  
5-51 not have any ownership, directors, officers, members, or employees  
5-52 in common with the credit services organization.

5-53 (c) A credit services organization may not charge or receive  
5-54 from a consumer a fee or other valuable consideration in connection  
5-55 with a loan or other extension of consumer credit that is not a  
5-56 deferred presentment transaction or motor vehicle title loan  
5-57 described by Subsection (b).

5-58 (d) The finance commission may adopt rules to implement this  
5-59 section.

5-60 (e) Notwithstanding Section 14.252, the commissioner may  
5-61 assess an administrative penalty in an amount not to exceed \$2,000  
5-62 for each violation against a credit access business that violates  
5-63 this section, regardless of whether the violation is knowing or  
5-64 willful.

5-65 (f) A consumer may maintain an action under this section for  
5-66 any violation of this section. In any suit filed under this  
5-67 section, a consumer may recover:

5-68 (1) damages in an amount not to exceed \$10,000 for each  
5-69 violation; and

6-1 (2) court costs and reasonable and necessary  
6-2 attorney's fees.

6-3 Sec. 393.309. RESTRICTION ON AMOUNT CHARGED IN CONNECTION  
6-4 WITH EXTENSION OF CONSUMER CREDIT. Total charges in connection  
6-5 with an extension of consumer credit that a credit services  
6-6 organization obtains for a consumer or assists the consumer in  
6-7 obtaining, including interest, lender charges, and any valuable  
6-8 consideration received by the credit services organization, may not  
6-9 exceed the permissible interest and fee and other charges for a  
6-10 similar type of consumer loan under Subchapter F, Chapter 342.

6-11 SECTION 8. Section 393.602, Finance Code, is amended by  
6-12 amending Subsections (a) and (b) and adding Subsection (b-1) to  
6-13 read as follows:

6-14 (a) This subchapter applies only to a credit services  
6-15 organization that obtains for a consumer or assists a consumer in  
6-16 obtaining an extension of consumer credit [in the form of:

6-17 [~~(1) a deferred presentment transaction; or~~

6-18 [~~(2) a motor vehicle title loan].~~

6-19 (b) Subject to Section 393.309, a [A] credit access business  
6-20 may assess fees as agreed to between the parties for [its] services  
6-21 performed to obtain an extension of consumer credit for a consumer  
6-22 or assist a consumer in obtaining an extension of consumer credit in  
6-23 the form of a deferred presentment transaction or motor vehicle  
6-24 title loan or a refinance of such an extension of consumer credit  
6-25 [as agreed to between the parties]. A credit access business fee  
6-26 may be calculated daily, biweekly, monthly, or on another periodic  
6-27 basis. A credit access business is permitted to charge amounts  
6-28 allowed by other laws, as applicable. A fee may not be charged  
6-29 unless it is disclosed.

6-30 (b-1) Notwithstanding Subsection (a) or (b), a credit  
6-31 services organization that is not obtaining for a consumer or  
6-32 assisting a consumer in obtaining an extension of consumer credit  
6-33 may also charge or receive from a consumer a fee or other valuable  
6-34 consideration in connection with advice, assistance, or other  
6-35 services that the credit services organization provides to improve  
6-36 a consumer's credit history or rating.

6-37 SECTION 9. Section 393.604, Finance Code, is amended by  
6-38 amending Subsection (a) and adding Subsection (d) to read as  
6-39 follows:

6-40 (a) An application for a license under this subchapter must:

6-41 (1) be under oath;

6-42 (2) give the approximate location from which the  
6-43 business is to be conducted;

6-44 (3) identify the business's principal parties in  
6-45 interest;

6-46 (4) contain the name, physical address, and telephone  
6-47 number of all third-party lender organizations:

6-48 (A) with which the business contracts to provide  
6-49 services; [~~described by Section 393.602(a)] or~~

6-50 (B) from which the business arranges extensions  
6-51 of consumer credit [~~described by Section 393.602(a)]; [and]~~

6-52 (5) include a copy of each agreement between the  
6-53 business and a third-party lender organization:

6-54 (A) with which the business contracts to provide  
6-55 services; or

6-56 (B) from which the business arranges extensions  
6-57 of consumer credit; and

6-58 (6) contain other relevant information that the  
6-59 commissioner requires for the findings required under Section  
6-60 393.607.

6-61 (d) Information provided by an applicant under this section  
6-62 is public information for the purposes of Chapter 552, Government  
6-63 Code.

6-64 SECTION 10. Sections 393.622(a) and (b), Finance Code, are  
6-65 amended to read as follows:

6-66 (a) The finance commission may:

6-67 (1) adopt rules necessary to enforce and administer  
6-68 this subchapter;

6-69 (2) adopt rules with respect to reports of summary

7-1 business information required to be submitted ~~[the quarterly~~  
 7-2 ~~reporting]~~ by a licensed credit access business under Section  
 7-3 393.627 ~~[licensed under this subchapter of summary business~~  
 7-4 ~~information relating to extensions of consumer credit described by~~  
 7-5 ~~Section 393.602(a)]~~; ~~[and]~~

7-6 (3) adopt rules with respect to periodic examination  
 7-7 by the office relating to extensions of consumer credit the  
 7-8 business obtained for a consumer or assisted a consumer in  
 7-9 obtaining ~~[described by Section 393.602(a)]~~, including rules  
 7-10 related to charges for defraying the reasonable cost of conducting  
 7-11 the examinations; and

7-12 (4) adopt rules identifying extensions of consumer  
 7-13 credit that are refinances.

7-14 (b) The finance commission may adopt rules under this  
 7-15 section to allow the commissioner to review, as part of a periodic  
 7-16 examination, any relevant contracts between the credit access  
 7-17 business and the third-party lender organizations with which the  
 7-18 credit access business contracts to provide services ~~[described by~~  
 7-19 ~~Section 393.602(a)]~~ or from which the business arranges extensions  
 7-20 of consumer credit ~~[described by Section 393.602(a)]~~. A contract  
 7-21 or information obtained by the commissioner under this section is  
 7-22 considered proprietary and confidential to the respective parties  
 7-23 to the contract, and is not subject to disclosure under Chapter 552,  
 7-24 Government Code.

7-25 SECTION 11. Subchapter G, Chapter 393, Finance Code, is  
 7-26 amended by adding Section 393.6221 to read as follows:

7-27 Sec. 393.6221. EXAMINATION OR INVESTIGATION BY  
 7-28 COMMISSIONER; OATHS. During an examination or an investigation,  
 7-29 the commissioner or the commissioner's representative may  
 7-30 administer oaths and examine a person under oath on a subject  
 7-31 pertinent to a matter that the commissioner is authorized or  
 7-32 required to consider, investigate, or secure information about  
 7-33 under this chapter.

7-34 SECTION 12. Section 393.625, Finance Code, is amended to  
 7-35 read as follows:

7-36 Sec. 393.625. MILITARY BORROWERS. (a) An extension of  
 7-37 consumer credit ~~[described by Section 393.602(a)]~~ that is obtained  
 7-38 by a credit access business for a military borrower ~~[member of the~~  
 7-39 ~~United States military or a dependent of a member of the United~~  
 7-40 ~~States military]~~ or that the business assisted a military borrower  
 7-41 ~~[that person]~~ in obtaining must comply with 10 U.S.C. Section 987  
 7-42 and any regulations adopted under that law, to the extent  
 7-43 applicable.

7-44 (b) The term of an extension of consumer credit, including  
 7-45 all renewals and refinances, obtained for a military borrower by a  
 7-46 credit access business or that a credit access business assists a  
 7-47 military borrower in obtaining may not exceed:

7-48 (1) 90 days, if the debt is a deferred presentment  
 7-49 transaction; or

7-50 (2) 180 days, if the debt is a motor vehicle title  
 7-51 loan.

7-52 (c) The finance commission shall adopt a disclosure  
 7-53 relating to the provisions of state and federal law applicable to a  
 7-54 military borrower who obtains an extension of consumer credit from  
 7-55 or with the assistance of a credit access business. A credit access  
 7-56 business shall provide this disclosure to military borrowers for  
 7-57 whom the credit access business seeks to obtain an extension of  
 7-58 consumer credit.

7-59 (d) Notwithstanding Section 14.252, the commissioner may  
 7-60 assess an administrative penalty in an amount not to exceed \$5,000  
 7-61 for each violation against a credit access business that violates  
 7-62 this section, regardless of whether the violation is knowing or  
 7-63 wilful.

7-64 SECTION 13. Section 393.626, Finance Code, is amended to  
 7-65 read as follows:

7-66 Sec. 393.626. DEBT COLLECTION PRACTICES. A violation of  
 7-67 Chapter 392 by a credit access business with respect to obtaining  
 7-68 for a consumer or assisting a consumer in obtaining an extension of  
 7-69 consumer credit ~~[described by Section 393.602(a)]~~ constitutes a

8-1 violation of this subchapter.

8-2 SECTION 14. Section 393.627, Finance Code, is amended to  
8-3 read as follows:

8-4 Sec. 393.627. REPORTS [QUARTERLY REPORT] TO COMMISSIONER.

8-5 (a) A credit access business shall file ~~[a]~~ quarterly and annual  
8-6 reports ~~[report]~~ with the commissioner on forms ~~[a form]~~ prescribed  
8-7 by the commissioner that provide ~~[provides]~~ the following  
8-8 information relating to extensions of consumer credit ~~[described by~~  
8-9 ~~Section 393.602(a)]~~ during the preceding quarter or year, as  
8-10 applicable:

8-11 (1) the number of consumers for whom the business  
8-12 obtained or assisted in obtaining those extensions of consumer  
8-13 credit;

8-14 (2) the number of those extensions of consumer credit  
8-15 obtained by the business or that the business assisted consumers in  
8-16 obtaining;

8-17 (3) the number of refinancing transactions of the  
8-18 extensions of consumer credit described by Subdivision (2);

8-19 (4) the number of consumers refinancing the extensions  
8-20 of consumer credit described by Subdivision (2);

8-21 (5) the number of consumers refinancing more than once  
8-22 the extensions of consumer credit described by Subdivision (2);

8-23 (6) the average amount of the extensions of consumer  
8-24 credit described by Subdivision (2);

8-25 (7) the total amount of fees charged by the business  
8-26 for the activities described by Subdivision (1);

8-27 (8) the number of vehicles surrendered or repossessed  
8-28 under the terms of an extension of consumer credit in the form of a  
8-29 motor vehicle title loan obtained by the business or that the  
8-30 business assisted a consumer in obtaining;

8-31 (9) the number of extended payment plans offered by  
8-32 the credit access business and entered into by consumers, for each  
8-33 product [the mean, median, and mode of the number of extensions of  
8-34 consumer credit obtained by consumers as a result of entering into  
8-35 the extensions of consumer credit described by Subdivision (2)];  
8-36 and

8-37 (10) any related information the commissioner  
8-38 determines necessary.

8-39 (b) All information submitted by a credit access business to  
8-40 the commissioner for inclusion in a report under this section is  
8-41 confidential.

8-42 (c) The commissioner shall publish a statewide consolidated  
8-43 analysis and recapitulation of reports filed under this section.  
8-44 The commissioner may also publish a consolidated analysis and  
8-45 recapitulation of the reports that provides an analysis of the 15  
8-46 largest metropolitan statistical areas and the five largest  
8-47 counties of this state.

8-48 SECTION 15. Subchapter G, Chapter 393, Finance Code, is  
8-49 amended by adding Sections 393.629 through 393.640 to read as  
8-50 follows:

8-51 Sec. 393.629. GENERAL LIMITATIONS ON EXTENSIONS OF CONSUMER  
8-52 CREDIT; LANGUAGE REQUIREMENTS; PAYMENT METHOD. (a) The  
8-53 provisions of this chapter applicable to a credit access business  
8-54 apply to any consumer physically located in this state at the time  
8-55 the extension of consumer credit is made, regardless of whether the  
8-56 extension of consumer credit was made in person in this state.

8-57 (b) The finance commission by rule shall adopt Spanish  
8-58 versions of the model contract clauses and all notices that a credit  
8-59 access business is required to give to a consumer under this  
8-60 chapter. A credit access business shall provide to the consumer a  
8-61 contract that uses the adopted Spanish clauses and notices to the  
8-62 consumer if in the process of obtaining an extension of consumer  
8-63 credit the consumer requests that the documents be provided in  
8-64 Spanish or if the contract is negotiated in Spanish. The executed  
8-65 contract and any other binding and controlling document between the  
8-66 credit access business and the consumer must be written in English.

8-67 (c) A credit access business shall accept a payment made in  
8-68 cash or by electronic transfer, cashier's check, teller's check, or  
8-69 money order offered by the consumer or another party, to retire or



9-1 otherwise pay down debt incurred under an extension of consumer  
 9-2 credit that a credit access business obtained for a consumer or  
 9-3 assisted a consumer in obtaining under this chapter. For a motor  
 9-4 vehicle title loan, a consumer may also grant a security interest in  
 9-5 an authorized debit of a bank account.

9-6 (d) The term of an extension of consumer credit obtained for  
 9-7 a consumer by a credit access business or that a credit access  
 9-8 business assists a consumer in obtaining may not exceed 180 days.  
 9-9 If a term of less than 180 days for an extension of consumer credit  
 9-10 is specified under this chapter, the shorter term applies.

9-11 Sec. 393.630. LIMITATION ON OUTSTANDING DEBT. (a) At any  
 9-12 one time, a consumer may have only one outstanding debt from a  
 9-13 deferred presentment transaction that a credit access business  
 9-14 obtained for the consumer or assisted the consumer in obtaining and  
 9-15 one outstanding debt from a motor vehicle title loan that a credit  
 9-16 access business obtained for the consumer or assisted the consumer  
 9-17 in obtaining.

9-18 (b) To obtain an extension of consumer credit in the form of  
 9-19 a deferred presentment transaction facilitated through the  
 9-20 services of a credit access business, a consumer must sign a written  
 9-21 certification on a form adopted by finance commission rule stating  
 9-22 that the consumer has no other outstanding debt from an extension of  
 9-23 consumer credit in the form of a deferred presentment transaction.

9-24 (c) A credit access business shall in good faith verify that  
 9-25 a consumer is not falsifying the certification required by  
 9-26 Subsection (b), to the best knowledge and ability of the person  
 9-27 acting on behalf of the credit access business for that  
 9-28 transaction. A person acting on behalf of a credit access business  
 9-29 has satisfied this requirement if the person considers all  
 9-30 information that the consumer shares with the person in negotiating  
 9-31 the transaction and if the person makes a reasonable effort to  
 9-32 verify the consumer's representations with any records that the  
 9-33 credit access business typically consults in the normal course of  
 9-34 its business.

9-35 (d) A credit access business that violates this section is  
 9-36 subject to a civil penalty in an amount not to exceed \$1,000 for  
 9-37 each violation.

9-38 Sec. 393.631. LIMITATIONS RELATING TO MOTOR VEHICLE  
 9-39 SECURING DEBT. (a) The proceeds of the sale of a repossessed motor  
 9-40 vehicle that secured a motor vehicle title loan shall satisfy all  
 9-41 outstanding and unpaid indebtedness under that extension of  
 9-42 consumer credit, and the consumer is not liable for any deficiency  
 9-43 resulting from the sale unless the consumer has committed fraud or  
 9-44 has committed a wilful act of misconduct that damages or impairs the  
 9-45 value of the motor vehicle.

9-46 (b) Any fee charged to a consumer for the repossession of a  
 9-47 motor vehicle given as security for a motor vehicle title loan must  
 9-48 be reasonable and may not exceed the amount actually paid by the  
 9-49 credit access business or the lender to a third party for the  
 9-50 repossession.

9-51 (c) A repossession under this chapter must comply with  
 9-52 Chapter 9, Business & Commerce Code, except as otherwise provided  
 9-53 by this section.

9-54 Sec. 393.632. ESTABLISHMENT OF INCOME OR VALUE; REFERENCE  
 9-55 AMOUNT. (a) A credit access business must require documentation  
 9-56 to establish a consumer's income for purposes of this subchapter.  
 9-57 Acceptable forms of documentation include paper, facsimile, or  
 9-58 electronic copies of:

- 9-59 (1) a payroll document;
- 9-60 (2) a paycheck;
- 9-61 (3) a bank statement;
- 9-62 (4) a report from a nationally or regionally  
 9-63 recognized credit and data reporting company;
- 9-64 (5) Internal Revenue Service Form W-2 from the  
 9-65 preceding year;
- 9-66 (6) the income tax return from the preceding tax year;
- 9-67 (7) a signed letter from the consumer's employer at the  
 9-68 time the extension of consumer credit is sought; or
- 9-69 (8) any other document approved by finance commission

10-1 rule.

10-2 (b) A credit access business shall retain a copy of the  
 10-3 documentation used to establish a consumer's income under  
 10-4 Subsection (a) according to the business's standard records  
 10-5 retention policy and any applicable rule or regulation establishing  
 10-6 a record retention period.

10-7 (c) A credit access business that relies in good faith on a  
 10-8 document presented by the consumer under Subsection (a) to  
 10-9 establish a consumer's income has complied with this section to the  
 10-10 extent the income established under that document meets the  
 10-11 applicable requirements under this chapter.

10-12 (d) A credit access business that obtains for a consumer or  
 10-13 assists a consumer in obtaining an extension of consumer credit  
 10-14 through the Internet or other electronic means may rely on  
 10-15 nationally or regionally recognized database reporting systems and  
 10-16 may maintain a record of the database reporting system results used  
 10-17 to comply with Subsections (a) and (b).

10-18 (e) To establish the retail value of a motor vehicle for  
 10-19 purposes of this subchapter, a credit access business must:

10-20 (1) rely on a nationally or regionally recognized  
 10-21 vehicle appraisal guide or agree in good faith with the consumer to  
 10-22 the vehicle's retail value; and

10-23 (2) record the recognized or agreed-on value.

10-24 (f) For purposes of this chapter, \$28,000 is the initial  
 10-25 reference amount with respect to a consumer's income, and the  
 10-26 commissioner shall adjust this amount annually in accordance with  
 10-27 the Consumer Price Index.

10-28 Sec. 393.633. CERTAIN LOCAL ORDINANCES NOT PREEMPTED. This  
 10-29 chapter does not preempt a local ordinance regulating a credit  
 10-30 access business or an extension of consumer credit obtained for a  
 10-31 consumer by a credit access business or that a credit access  
 10-32 business assists a consumer in obtaining, if the ordinance is  
 10-33 compatible with and equal to or more stringent than a requirement  
 10-34 prescribed by this chapter.

10-35 Sec. 393.634. SINGLE-PAYMENT DEFERRED PRESENTMENT  
 10-36 TRANSACTION. (a) The sum of all fees, principal, interest, and  
 10-37 other amounts due under an extension of consumer credit in the form  
 10-38 of a single-payment deferred presentment transaction that a credit  
 10-39 access business obtains for a consumer or assists a consumer in  
 10-40 obtaining, excluding fees, may not exceed:

10-41 (1) 25 percent of the consumer's gross monthly income,  
 10-42 if the consumer's gross annual income is less than the reference  
 10-43 amount; or

10-44 (2) 35 percent of the consumer's gross monthly income,  
 10-45 if the consumer is not described by Subdivision (1) and is not a  
 10-46 military borrower to whom a different limit applies under federal  
 10-47 law.

10-48 (b) The term of an original or refinanced extension of  
 10-49 consumer credit in the form of a single-payment deferred  
 10-50 presentment transaction that a credit access business obtains for a  
 10-51 consumer or assists a consumer in obtaining may not be less than 10  
 10-52 days or longer than 35 days.

10-53 (c) An extension of consumer credit in the form of a  
 10-54 single-payment deferred presentment transaction that a credit  
 10-55 access business obtains for a consumer or assists a consumer in  
 10-56 obtaining may not be refinanced more than four times.

10-57 (d) If a consumer who has not entered into an extended  
 10-58 payment plan with the credit access business in the preceding 12  
 10-59 months refinances a single-payment deferred presentment  
 10-60 transaction for the fourth time:

10-61 (1) the credit access business must offer at least one  
 10-62 extended payment plan to the consumer before initiating any debt  
 10-63 collection activities;

10-64 (2) the consumer may request, prior to the offer  
 10-65 required by Subdivision (1) being made, an extended payment plan at  
 10-66 any time on or after the date the consumer refinances the deferred  
 10-67 presentment transaction for the fourth time and on or before the  
 10-68 fifth day after the date on which the fourth refinance must be  
 10-69 repaid in full;

11-1 (3) to comply with the requirement of Subdivision (1),  
 11-2 the credit access business shall send a written notice to the  
 11-3 consumer disclosing the following:

11-4 (A) the amount due under the current terms of the  
 11-5 extension of consumer credit if the consumer declines an extended  
 11-6 payment plan;

11-7 (B) the amounts due on each of the installment  
 11-8 dates of an extended payment plan; and

11-9 (C) the date by which the consumer must accept  
 11-10 the extended payment plan in writing, which date shall be at least  
 11-11 five days after the date of such notice;

11-12 (4) the credit access business may not initiate debt  
 11-13 collection activities unless:

11-14 (A) the consumer fails to accept the extended  
 11-15 payment plan in writing on or before the deadline contained in the  
 11-16 notice required by Subdivision (3);

11-17 (B) the consumer declines the extended payment  
 11-18 plan; or

11-19 (C) the consumer fails to make a payment required  
 11-20 by an extended payment plan that the consumer accepted; and

11-21 (5) if the consumer declines an extended payment plan  
 11-22 that a credit access business is required to offer under  
 11-23 Subdivision (1), the consumer must sign an extended payment plan  
 11-24 waiver on a form prescribed by the finance commission.

11-25 (e) An extended payment plan required to be offered under  
 11-26 Subsection (d) must comply with Section 393.638.

11-27 (f) A credit access business may offer a consumer an  
 11-28 extended payment plan that provides the consumer with additional  
 11-29 time to repay the debts obtained through a single-payment deferred  
 11-30 presentment transaction, either before or after the consumer  
 11-31 refinances the single-payment deferred presentment transaction for  
 11-32 the fourth time, more than once in a 12-month period so long as the  
 11-33 credit access business does not assess additional fees under the  
 11-34 extended payment plan and the credit access business fully  
 11-35 describes the terms of the extended payment plan, including all due  
 11-36 dates and the amount due on each due date, to the consumer before  
 11-37 the consumer enters into the extended payment plan. An extended  
 11-38 payment plan offered under this subsection is not required to  
 11-39 comply with Section 393.638.

11-40 (g) A credit access business shall accept a partial payment  
 11-41 that complies with Section 393.629(c) paid by a consumer or on  
 11-42 behalf of a consumer to pay down outstanding principal owed under a  
 11-43 single-payment deferred presentment transaction that the credit  
 11-44 access business obtained for the consumer or assisted the consumer  
 11-45 in obtaining.

11-46 Sec. 393.635. MULTIPLE-PAYMENT DEFERRED PRESENTMENT  
 11-47 TRANSACTION. (a) The sum of all fees, principal, interest, and  
 11-48 other amounts due under any scheduled payment of an extension of  
 11-49 consumer credit in the form of a multiple-payment deferred  
 11-50 presentment transaction that a credit access business obtains for a  
 11-51 consumer or assists a consumer in obtaining may not exceed:

11-52 (1) 10 percent of the consumer's gross monthly income,  
 11-53 if the consumer's gross annual income is less than the reference  
 11-54 amount; or

11-55 (2) 15 percent of the consumer's gross monthly income,  
 11-56 if the consumer is not described by Subdivision (1) and is not a  
 11-57 military borrower to whom a different limit applies under federal  
 11-58 law.

11-59 (b) An extension of consumer credit in the form of a  
 11-60 multiple-payment deferred presentment transaction that a credit  
 11-61 access business obtains for a consumer or assists a consumer in  
 11-62 obtaining may not be payable by the consumer in more than 12  
 11-63 installments or have an original term of more than 180 days, and the  
 11-64 loan agreement must specify the number, date, and total amount due  
 11-65 with regard to each installment.

11-66 (c) An original or refinanced extension of consumer credit  
 11-67 in the form of a multiple-payment deferred presentment transaction  
 11-68 that a credit access business obtains for a consumer or assists a  
 11-69 consumer in obtaining must be payable on a fully amortizing,

12-1 declining-principal-balance basis with substantially equal  
 12-2 payments. If a credit access business precomputes its fees under a  
 12-3 multiple-payment deferred presentment transaction and a consumer  
 12-4 prepays in full the extension of consumer credit in that form, the  
 12-5 credit access business shall refund any unearned fees to the  
 12-6 consumer.

12-7 (d) The first installment of an extension of consumer credit  
 12-8 in the form of a multiple-payment deferred presentment transaction  
 12-9 that a credit access business obtains for a consumer or assists a  
 12-10 consumer in obtaining may not be due before the 10th day after the  
 12-11 date the consumer enters into the loan agreement. An installment  
 12-12 may not be due before the 14th day or after the 31st day after the  
 12-13 date a previous installment is due.

12-14 (e) An extension of consumer credit in the form of a  
 12-15 multiple-payment deferred presentment transaction that a credit  
 12-16 access business obtains for a consumer or assists a consumer in  
 12-17 obtaining may not be refinanced, may not include more than 12  
 12-18 installments, and may not have a term that exceeds 180 days,  
 12-19 excluding an extended payment plan offered in compliance with  
 12-20 Section 393.638.

12-21 (f) A credit access business may offer a consumer an  
 12-22 extended payment plan if the extended payment plan complies with  
 12-23 Section 393.638 and if the credit access business fully describes  
 12-24 the terms of the extended payment plan, including all due dates and  
 12-25 the amount due on each due date, to the consumer before the consumer  
 12-26 enters into the extended repayment plan.

12-27 Sec. 393.636. SINGLE-PAYMENT MOTOR VEHICLE TITLE LOAN.

12-28 (a) The sum of all fees, principal, interest, and other amounts  
 12-29 due under an extension of consumer credit in the form of a  
 12-30 single-payment motor vehicle title loan that a credit access  
 12-31 business obtains for a consumer or assists a consumer in obtaining,  
 12-32 excluding fees, may not exceed the lesser of:

12-33 (1) six percent of the consumer's gross annual income,  
 12-34 if the consumer's gross annual income is less than the reference  
 12-35 amount;

12-36 (2) eight percent of the consumer's gross annual  
 12-37 income, if the consumer is not described by Subdivision (1) and is  
 12-38 not a military borrower to whom a different limit applies under  
 12-39 federal law; or

12-40 (3) 70 percent of the retail value of the motor vehicle  
 12-41 securing the debt.

12-42 (b) The term of an original or refinanced extension of  
 12-43 consumer credit in the form of a single-payment motor vehicle title  
 12-44 loan that a credit access business obtains for a consumer or assists  
 12-45 a consumer in obtaining may not be less than 30 days or longer than  
 12-46 35 days.

12-47 (c) An extension of consumer credit in the form of a  
 12-48 single-payment motor vehicle title loan that a credit access  
 12-49 business obtains for a consumer or assists a consumer in obtaining  
 12-50 may not be refinanced more than six times. The combined terms of  
 12-51 the original extension of consumer credit and any refinanced  
 12-52 extensions of consumer credit, excluding an extended payment plan  
 12-53 offered in compliance with Subsection (f) or Section 393.638, may  
 12-54 not exceed 180 days. The credit access business shall fully  
 12-55 describe the terms of an extended payment plan, including all due  
 12-56 dates and the amount due on each due date, to the consumer before  
 12-57 the consumer enters into the extended payment plan.

12-58 (d) If a consumer who has not entered into an extended  
 12-59 payment plan with the credit access business in the preceding 12  
 12-60 months refinances a single-payment motor vehicle title loan for the  
 12-61 sixth time:

12-62 (1) the credit access business must offer at least one  
 12-63 extended payment plan to the consumer before initiating any  
 12-64 activities to repossess the vehicle securing the debt;

12-65 (2) the consumer may request, prior to the offer  
 12-66 required by Subdivision (1) being made, an extended payment plan at  
 12-67 any time on or after the date the consumer refinances the motor  
 12-68 vehicle title loan for the sixth time and on or before the fifth day  
 12-69 after the date on which the sixth refinance must be repaid in full;

13-1 (3) to comply with the requirement of Subdivision (1),  
 13-2 the credit access business shall send a written notice to the  
 13-3 consumer disclosing the following:

13-4 (A) the amount due under the current terms of the  
 13-5 extension of consumer credit if the consumer declines an extended  
 13-6 payment plan;

13-7 (B) the amounts due on each of the installment  
 13-8 dates of an extended payment plan; and

13-9 (C) the date by which the consumer must accept  
 13-10 the extended payment plan in writing, which date shall be at least  
 13-11 five days after the date of such notice;

13-12 (4) the credit access business may not repossess the  
 13-13 vehicle securing the debt unless:

13-14 (A) the consumer fails to accept the extended  
 13-15 payment plan in writing on or before the deadline contained in the  
 13-16 notice required by Subdivision (3);

13-17 (B) the consumer declines the extended payment  
 13-18 plan; or

13-19 (C) the consumer fails to make a payment required  
 13-20 by an extended payment plan that the consumer accepted; and

13-21 (5) if the consumer declines an extended payment plan  
 13-22 that a credit access business is required to offer under  
 13-23 Subdivision (1), the consumer must sign an extended payment plan  
 13-24 waiver on a form prescribed by the finance commission.

13-25 (e) An extended payment plan required to be offered under  
 13-26 Subsection (d) must comply with Section 393.638.

13-27 (f) A credit access business may offer a consumer an  
 13-28 extended payment plan that provides the consumer with additional  
 13-29 time to repay the debts obtained through a single-payment motor  
 13-30 vehicle title loan, either before or after the consumer refinances  
 13-31 the single-payment motor vehicle title loan for the sixth time,  
 13-32 more than once in a 12-month period so long as the credit access  
 13-33 business does not assess additional fees under the extended payment  
 13-34 plan and the credit access business fully describes the terms of the  
 13-35 extended payment plan, including all due dates and the amount due on  
 13-36 each due date, to the consumer before the consumer enters into the  
 13-37 extended payment plan. An extended payment plan offered under this  
 13-38 subsection is not required to comply with Section 393.638.

13-39 (g) A credit access business shall accept a partial payment  
 13-40 that complies with Section 393.629(c) paid by a consumer or on  
 13-41 behalf of a consumer to pay down outstanding principal owed under a  
 13-42 single-payment motor vehicle title loan that the credit access  
 13-43 business obtained for the consumer or assisted the consumer in  
 13-44 obtaining.

13-45 Sec. 393.637. MULTIPLE-PAYMENT MOTOR VEHICLE TITLE LOAN.

13-46 (a) The amount advanced to a consumer under an extension of  
 13-47 consumer credit in the form of a multiple-payment motor vehicle  
 13-48 title loan that a credit access business obtains for a consumer or  
 13-49 assists a consumer in obtaining, excluding fees, may not exceed 70  
 13-50 percent of the retail value of the motor vehicle securing the debt.

13-51 (b) The sum of all fees, principal, interest, and other  
 13-52 amounts due under any scheduled payment of an extension of consumer  
 13-53 credit in the form of a multiple-payment motor vehicle title loan  
 13-54 that a credit access business obtains for a consumer or assists a  
 13-55 consumer in obtaining may not exceed:

13-56 (1) 20 percent of the consumer's gross monthly income,  
 13-57 if the consumer's gross annual income is less than the reference  
 13-58 amount; or

13-59 (2) 30 percent of the consumer's gross monthly income,  
 13-60 if the consumer is not described by Subdivision (1) and is not a  
 13-61 military borrower to whom a different limit applies under federal  
 13-62 law.

13-63 (c) An extension of consumer credit in the form of a  
 13-64 multiple-payment motor vehicle title loan that a credit access  
 13-65 business obtains for a consumer or assists a consumer in obtaining  
 13-66 must be payable on a fully amortizing, declining-principal-balance  
 13-67 basis with substantially equal payments. If a credit access  
 13-68 business precomputes its fees under a multiple-payment motor  
 13-69 vehicle title loan and a consumer prepays the loan in full, the

14-1 credit access business shall refund any unearned fees to the  
 14-2 consumer.

14-3 (d) An extension of consumer credit in the form of a  
 14-4 multiple-payment motor vehicle title loan that a credit access  
 14-5 business obtains for a consumer or assists a consumer in obtaining  
 14-6 may not be payable by the consumer in more than six installments,  
 14-7 and the loan agreement must specify the number, date, and total  
 14-8 amount due with regard to each installment.

14-9 (e) The first installment of an extension of consumer credit  
 14-10 in the form of a multiple-payment motor vehicle title loan that a  
 14-11 credit access business obtains for a consumer or assists a consumer  
 14-12 in obtaining may not be due before the 10th day after the date the  
 14-13 consumer enters into the loan agreement. A subsequent installment  
 14-14 may not be due before the 28th day after the date the previous  
 14-15 installment of the loan is due.

14-16 (f) An extension of consumer credit in the form of a  
 14-17 multiple-payment motor vehicle title loan that a credit access  
 14-18 business obtains for a consumer or assists a consumer in obtaining  
 14-19 may not be refinanced and the loan term may not exceed 180 days,  
 14-20 except as provided by Subsection (g).

14-21 (g) A credit access business may not initiate any activities  
 14-22 to repossess the vehicle securing the debt under a multiple-payment  
 14-23 motor vehicle title loan that a credit access business obtains for a  
 14-24 consumer or assists a consumer in obtaining before offering the  
 14-25 consumer at least one extended payment plan. An extended payment  
 14-26 plan may cause the extension of consumer credit to extend beyond 180  
 14-27 days so long as the extended payment plan complies with Section  
 14-28 393.638 and the credit access business fully describes the terms of  
 14-29 the extended payment plan, including all due dates and the amount  
 14-30 due on each due date, to the consumer before the consumer enters  
 14-31 into the extended payment plan.

14-32 (h) If the credit access business is required to offer a  
 14-33 consumer an extended payment plan under Subsection (g), the credit  
 14-34 access business shall send a written notice to the consumer  
 14-35 disclosing the following:

14-36 (1) the amount due under the current terms of the  
 14-37 extension of consumer credit if the consumer declines an extended  
 14-38 payment plan;

14-39 (2) the amounts due on each of the installment dates of  
 14-40 an extended payment plan; and

14-41 (3) the date by which the consumer must accept the  
 14-42 extended payment plan in writing, which date shall be at least five  
 14-43 days after the date of such notice.

14-44 (i) The credit access business may not repossess the vehicle  
 14-45 securing the debt unless:

14-46 (1) the consumer fails to accept the extended payment  
 14-47 plan in writing on or before the deadline contained in the notice  
 14-48 required by Subsection (h)(3);

14-49 (2) the consumer declines the extended payment plan;  
 14-50 or

14-51 (3) the consumer fails to make a payment required by an  
 14-52 extended payment plan that the consumer accepted.

14-53 (j) If the consumer declines the extended payment plan, the  
 14-54 consumer must sign an extended payment plan waiver on a form  
 14-55 prescribed by the finance commission.

14-56 Sec. 393.638. EXTENDED PAYMENT PLAN REQUIREMENTS.

14-57 (a) This section applies to extended payment plans required to be  
 14-58 offered under Sections 393.634, 393.635, 393.636, and 393.637.

14-59 (b) An extended payment plan must provide for payment in at  
 14-60 least:

14-61 (1) four substantially equal installments, after  
 14-62 which the outstanding balance will be paid in full, with respect to  
 14-63 a single-payment deferred presentment transaction or  
 14-64 single-payment motor vehicle title loan; or

14-65 (2) two substantially equal installments added to the  
 14-66 original and refinanced term of the extension of consumer credit,  
 14-67 after which the outstanding balance, including only the fees that  
 14-68 would have been due under the original extension of consumer  
 14-69 credit, will be paid in full, with respect to a multiple-payment

15-1 deferred presentment transaction or multiple-payment motor vehicle  
 15-2 title loan.

15-3 (c) The period between installment payments on an extended  
 15-4 payment plan may not be shorter than:

15-5 (1) 10 days, with respect to a single-payment deferred  
 15-6 presentment transaction; or

15-7 (2) 30 days, with respect to a multiple-payment  
 15-8 deferred presentment transaction, a single-payment motor vehicle  
 15-9 title loan, or a multiple-payment motor vehicle title loan.

15-10 (d) The first payment owed under an extended payment plan  
 15-11 may not be due before the 10th day after the date the consumer  
 15-12 requests an extended payment plan.

15-13 (e) A credit access business may not assess additional fees  
 15-14 or assist a consumer in obtaining additional extensions of consumer  
 15-15 credit if the consumer is paying an extension of credit under an  
 15-16 extended payment plan.

15-17 (f) A consumer may pay in full a debt subject to an extended  
 15-18 payment plan at any time without prepayment penalties.

15-19 (g) A person may not engage in debt collection or vehicle  
 15-20 repossession activities for a debt subject to an extended payment  
 15-21 plan if the consumer is in compliance with the extended payment  
 15-22 plan.

15-23 (h) A person may not use a device, subterfuge, or pretense  
 15-24 to evade the extended payment plan requirements and limitations  
 15-25 imposed on a credit access business under this subchapter.

15-26 Sec. 393.639. REFINANCES. (a) Any refinance of an  
 15-27 extension of consumer credit that a credit access business obtains  
 15-28 for a consumer or assists a consumer in obtaining:

15-29 (1) must be authorized under this subchapter;

15-30 (2) must be in the same form as the original extension  
 15-31 of consumer credit; and

15-32 (3) must meet all the requirements applicable to the  
 15-33 original extension of consumer credit, including the duration,  
 15-34 transaction, and extended payment plan requirements under this  
 15-35 subchapter, including the applicable income-based or vehicle  
 15-36 value-based limitations under Section 393.634(a), 393.635(a),  
 15-37 393.636(a), or 393.637(b), except as otherwise provided by this  
 15-38 chapter.

15-39 (b) For purposes of this section, a single-payment deferred  
 15-40 presentment transaction, a multiple-payment deferred presentment  
 15-41 transaction, a single-payment motor vehicle title loan, and a  
 15-42 multiple-payment motor vehicle title loan are the different forms  
 15-43 of extensions of consumer credit that a credit access business may  
 15-44 obtain for a consumer or assist a consumer in obtaining.

15-45 (c) The terms of a refinanced extension of consumer credit  
 15-46 may be the same as or different from the terms of the original  
 15-47 extension of consumer credit.

15-48 (d) A person may not use a device, subterfuge, or pretense  
 15-49 to evade the refinance requirements and limitations imposed on a  
 15-50 credit access business under this subchapter.

15-51 Sec. 393.640. RULES. The finance commission shall adopt  
 15-52 any rules necessary to implement Sections 393.629-393.639.

15-53 SECTION 16. Section 411.095, Government Code, is amended to  
 15-54 read as follows:

15-55 Sec. 411.095. ACCESS TO CRIMINAL HISTORY RECORD  
 15-56 INFORMATION: CONSUMER CREDIT COMMISSIONER. The consumer credit  
 15-57 commissioner is entitled to obtain from the department criminal  
 15-58 history record information that relates to a person who is an  
 15-59 applicant for or holder of a license under Chapter 342, 347, 348,  
 15-60 351, 353, ~~or~~ 371, or 393, Finance Code.

15-61 SECTION 17. Sections 393.221 and 393.601, Finance Code, are  
 15-62 repealed.

15-63 SECTION 18. The consumer credit commissioner shall  
 15-64 establish and implement the database under Section 342.607, Finance  
 15-65 Code, as added by this Act, not later than January 1, 2016, and  
 15-66 shall prescribe the date by which a person who offers, services, or  
 15-67 brokers a deferred presentment transaction must begin submitting  
 15-68 data as provided by that section.

15-69 SECTION 19. The changes in law made by this Act apply only

16-1 to an extension of consumer credit made on or after the effective  
16-2 date of this Act. An extension of consumer credit made before the  
16-3 effective date of this Act is governed by the law in effect on the  
16-4 date the extension of consumer credit was made, and the former law  
16-5 is continued in effect for that purpose. For purposes of this  
16-6 section, a refinance or renewal of an extension of consumer credit  
16-7 is considered made on the date the extension of consumer credit  
16-8 being refinanced or renewed was made.

16-9 SECTION 20. This Act takes effect September 1, 2015.

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