

By: Menéndez

S.B. No. 1323

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to fees paid to certain credit services organizations in  
3 connection with certain extensions of consumer credit.

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

5 SECTION 1. Subchapter A, Chapter 302, Finance Code, is  
6 amended by adding Section 302.003 to read as follows:

7 Sec. 302.003. RESTRICTION ON CERTAIN THIRD-PARTY FEES TO  
8 OBTAIN, ARRANGE, OR GUARANTEE CERTAIN EXTENSIONS OF CONSUMER  
9 CREDIT. The amount of a fee paid or to be paid to a credit services  
10 organization subject to Chapter 393 to assist a consumer in  
11 transacting, arranging, guaranteeing, or negotiating an extension  
12 of credit or to obtain for a consumer an extension of credit is  
13 considered interest for usury purposes under state law if:

14 (1) the extension of credit is secured by a  
15 non-purchase money security interest in personal property or is  
16 unsecured; and

17 (2) the proceeds of the extension of credit are used  
18 for personal, family, or household purposes.

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

1 section, a refinance or renewal of an extension of consumer credit  
2 is considered made on the date the extension of consumer credit  
3 being refinanced or renewed was made.

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