

By: Bernal

H.B. No. 741

A BILL TO BE ENTITLED

AN ACT

relating to the affordability of extension of consumer credit.

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

SECTION 1. Subchapter D, Chapter 393, Finance Code, is amended by adding Section 393.308 to read as follows:

Sec. 393.308. ENSURING AFFORDABILITY OF EXTENSION OF CONSUMER CREDIT. A credit services organization may not obtain an extension of consumer credit or provide advice or assistance to a consumer with regard to obtaining an extension of consumer credit unless the credit services organization finds, using independently verifiable documentation of income and obligations, that the consumer can reasonably repay in cash, in the time and schedule of payments established by contract and by all applicable law, the extension of consumer credit and all associated fees and costs and pay all known obligations concurrently. The credit services organization must retain all documentation used to establish the affordability of an extension of consumer credit.

SECTION 2. This Act takes effect September 1, 2017.