

By: Uresti

H.B. No. 1733

A BILL TO BE ENTITLED

AN ACT

relating to the maximum permitted sum of fees, interest, and other amounts due under certain extensions of consumer credit.

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

SECTION 1. Subchapter G, Chapter 393, Finance Code, is amended by adding Sections 393.629 and 393.630 to read as follows:

Sec. 393.629. MAXIMUM PERMITTED FEES, INTEREST, AND OTHER AMOUNTS DUE UNDER AN EXTENSION OF CONSUMER CREDIT. The sum of all fees, interest, and other amounts in excess of principal due under an extension of consumer credit in the form of a deferred presentment transaction or motor vehicle title loan that a credit access business obtains for a consumer or assists a consumer in obtaining may not exceed 25 percent of the principal of that extension of consumer credit.

Sec. 393.630. RULES. The finance commission shall adopt any rules necessary to implement Section 393.629.

SECTION 2. The changes in law made by this Act apply only to an extension of consumer credit made on or after the effective date of this Act. An extension of consumer credit made before the effective date of this Act is governed by the law in effect on the date the extension of consumer credit was made, and the former law is continued in effect for that purpose. For purposes of this section, a refinance of an extension of consumer credit is considered made on the date the extension of consumer credit being

1 refinanced was made.

2 SECTION 3. This Act takes effect September 1, 2017.