A BILL TO BE ENTITLED

AN ACT

relating to the maximum permitted rate of interest, sum of fees, and
other amounts due during a natural disaster declaration.

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

SECTION 1. Chapter 342, Finance Code, is amended by adding
Subchapter N to read as follows:

SUBCHAPTER N. INTEREST RATES DURING NATURAL DISASTERS

Sec. 342.651. MAXIMUM INTEREST RATES DURING NATURAL
DISASTER. Unless a lower rate of interest is otherwise provided by
law, the maximum rate or amount of interest is 36 percent for a loan
entered into in an area subject to a declaration under Section
418.014, Government Code, before the termination of the
declaration.

SECTION 2. 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 EXTENSION OF CONSUMER CREDIT DURING NATURAL
DISASTER. 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, entered into in an area subject to a
declaration under Section 418.014, Government Code, before the
termination of the declaration, may not exceed 36 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 3. The changes in law made by this Act in adding Sections 342.651 and 393.629, Finance Code, apply only to a loan or extension of consumer credit, as applicable, made on or after the effective date of this Act. A loan or extension of consumer credit made before the effective date of this Act is governed by the law in effect on the date the loan or 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 a loan or extension of consumer credit is considered made on the date the loan or extension of consumer credit being refinanced was made.

SECTION 4. This Act takes effect September 1, 2019.