

BILL ANALYSIS

Senate Research Center
87R17964 SRA-F

H.B. 3510
By: Lambert; Guillen (Menéndez)
Business & Commerce
5/15/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In March 2020, Governor Abbott declared a state of disaster for all Texas counties due to COVID-19. Under the guidance of the Office of Consumer Credit Commissioner, license holders under its purview have been temporarily authorized to allow employees to work remotely in order to protect public safety and prevent the spread of COVID-19. During this time, license holders have invested in infrastructure to provide employees the ability to work remotely within a secure framework.

H.B. 3510 seeks to continue this flexibility beyond the pandemic by establishing conditions under which an applicable license holder may allow an employee to work from a remote location in order to allow more flexibility in their employment practices while still providing the same secure services to the public.

H.B. 3510 amends current law relating to work from remote locations by certain employees of certain entities licensed by the Office of Consumer Credit Commissioner.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Finance Commission of Texas in SECTION 1 (Section 341.503, Finance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter F, Chapter 341, Finance Code, by adding Section 341.503, as follows:

Sec. 341.503. **WORK FROM REMOTE LOCATIONS.** (a) Authorizes a person licensed under Subtitle B (Loans and Financed Transactions), notwithstanding provisions of Subtitle B that prohibit conducting business at an unlicensed location and except as provided by Subsection (b), to allow an employee of the license holder to work from a remote location if the license holder:

- (1) ensures that in-person consumer interactions will be conducted at a licensed location;
- (2) maintains appropriate safeguards for license holder and consumer data, information, and records, including the use of secure virtual private networks where appropriate;
- (3) employs appropriate risk-based monitoring and oversight processes for work performed from a remote location and maintains records of those processes;
- (4) ensures that consumer information and records are not maintained at a remote location;
- (5) ensures that license holder and consumer information and records, including written procedures and training for work from remote locations authorized under this section, are accessible and available to the consumer

credit commissioner (commissioner) or the commissioner's representative on request;

(6) provides appropriate employee training to:

(A) keep all conversations about and with consumers conducted from a remote location confidential as if conducted from a licensed location; and

(B) ensure that remote employees work in an environment conducive and appropriate to consumer privacy; and

(7) adopts, maintains, and follows written procedures to ensure that:

(A) the license holder and the license holder's employees comply with this section and applicable law; and

(B) the employees do not perform an activity that would be prohibited at a licensed location.

(b) Provides that Section 341.503 applies to an employee of a person licensed under Chapter 348 (Motor Vehicle Installment Sales) or 353 (Commercial Motor Vehicle Installment Sales) only if the employee engages in making, servicing, holding, or collecting a retail installment transaction as defined by Section 348.001 (Definitions) or 353.001 (Definitions), as applicable.

(c) Authorizes the Finance Commission of Texas to adopt rules to implement Section 341.503.

SECTION 2. Effective date: September 1, 2021.