A BILL TO BE ENTITLED

AN ACT

relating to a restriction on total charges charged for certain
extensions of consumer credit that are facilitated by credit access
businesses and entered into by consumers residing in disaster
areas.

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

SECTION 1. Section 393.602(b), Finance Code, is amended to
read as follows:

(b) Subject to Section 393.629, a credit access business
may assess fees for its services as agreed to between the parties.
A credit access business fee may be calculated daily, biweekly,
monthly, or on another periodic basis. A credit access business is
permitted to charge amounts allowed by other laws, as applicable. A
fee may not be charged unless it is disclosed.

SECTION 2. Subchapter G, Chapter 393, Finance Code, is
amended by adding Section 393.629 to read as follows:

Sec. 393.629. RESTRICTION ON CHARGES CHARGED IN CONNECTION
WITH DEFERRED PRESENTMENT TRANSACTIONS OF CONSUMERS IN DISASTER
AREAS. (a) In this section:

(1) "Designated disaster period" means the period
beginning on the date of the proclamation or executive order of the
governor declaring the disaster and ending on the 30th day after the
date the disaster declaration expires or is terminated.

(2) "Disaster area" means an area of this state that is
subject to a declaration of disaster by the governor under Section 418.014, Government Code.

(b) The annual percentage rate of an extension of consumer credit in the form of a deferred presentment transaction that is entered into by a consumer residing in a disaster area and that a credit access business obtains for the consumer or assists the consumer in obtaining may not exceed 30 percent during the designated disaster period and the two-year period immediately following that period.

(c) For purposes of this section, the annual percentage rate of an extension of consumer credit in the form of a deferred presentment transaction is calculated including the total charges charged to the consumer in connection with the extension of consumer credit, including interest, lender charges, and any fees or any other valuable consideration received by the credit access business or a representative of the credit access business.

SECTION 3. Section 393.629, Finance Code, as added by this Act, applies 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.

SECTION 4. This Act takes effect September 1, 2021.