

By: Miles

S.B. No. 363

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting daily simple interest home loans.

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

SECTION 1. Subchapter B, Chapter 343, Finance Code, is amended by adding Section 343.107 to read as follows:

Sec. 343.107. DAILY SIMPLE INTEREST HOME LOANS PROHIBITED.

(a) In this section, "daily simple interest home loan" means a home loan that accrues interest daily on the outstanding balance of the loan.

(b) A lender may not make a daily simple interest home loan.

SECTION 2. Section 343.107, Finance Code, as added by this Act, applies only to a loan closed on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2021.