

By: Hughes

S.B. No. 1504

A BILL TO BE ENTITLED

AN ACT

relating to requirements related to refunds and credit provided under terminated debt cancellation agreements.

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

SECTION 1. Section 354.007, Finance Code, is amended by amending Subsections (e), (f), and (g) and adding Subsection (e-1) to read as follows:

(e) If the debt cancellation agreement terminates due to the early termination of the contract, a [the] holder who is a retail seller shall, not later than the 60th day after the date the debt cancellation agreement terminates:

(1) refund or credit an appropriate amount of the debt cancellation agreement fee; or

(2) cause to be refunded or credited an appropriate amount of the debt cancellation agreement fee by providing written instruction, including by electronic means, to the administrator of the agreement [appropriate person].

(e-1) If the debt cancellation agreement terminates due to the early termination of the contract, a holder, other than a retail seller, shall, not later than the 30th day after the date the debt cancellation agreement terminates:

(1) refund or credit an appropriate amount of the debt cancellation agreement fee; or

(2) cause to be refunded or credited an appropriate

1 amount of the debt cancellation agreement fee by providing written
2 instruction, including by electronic means, to the administrator
3 of the agreement or retail seller, as appropriate.

4 (f) The administrator of the agreement or retail seller
5 [~~holder~~] shall ensure that a refund or credit of an amount of a debt
6 cancellation agreement fee made by another person under Subsection
7 (e)(2) or (e-1)(2) is made not later than the 60th day after the
8 date the debt cancellation agreement terminates.

9 (g) The administrator of the agreement or retail seller
10 [~~holder~~] shall maintain records of any refund or credit of an amount
11 of a debt cancellation agreement fee made under Subsection (e) or
12 (e-1) and provide electronic access to those records until the
13 later of the fourth anniversary of the date of the contract or the
14 second anniversary of the date of the refund or credit.

15 SECTION 2. This Act takes effect September 1, 2021.