

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 13, 2021

TO: Honorable Rafael Anchia, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1937 by Pacheco (Relating to the maximum permitted rate of interest, sum of fees, and other amounts that may be charged in connection with deferred presentment transactions.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1937, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from Local/Not Appropriated Funds 8888	Probable Revenue Gain/(Loss) from Local/Not Appropriated Funds 8888	Change in Number of State Employees from FY 2021
2022	\$500,164	(\$500,164)	(6.0)
2023	\$550,164	(\$550,164)	(6.0)
2024	\$550,164	(\$550,164)	(6.0)
2025	\$550,164	(\$550,164)	(6.0)
2026	\$551,664	(\$551,664)	(6.0)

Fiscal Analysis

The bill would create a 36% maximum annual percentage rate for any loan that a credit access business assists a consumer in obtaining.

Methodology

The Office of Consumer Credit Commissioner (OCCC) is a self-directed, semi-independent state entity and does not receive appropriated funds. The OCCC is responsible for funding all direct and indirect operational costs and sets the amount of fees, penalties, charges, and revenues required to cover these costs.

The OCCC anticipates that the bill would reduce credit access business by 75%, therefore the agency would need to eliminate 75% of the 8 Financial Examiners that help with licensing exams for this type of business. This would total a decrease of 6 FTEs annually and the savings estimated above; it is assumed there would be a reduction in revenue due to these operational savings.

Technology

No fiscal implication to technology is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 450 Dept Savings and Mortgage Lending, 466 Consumer Credit Comm

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