By:  Menéndez S.B. No. 2228

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 who has not assigned or transferred the contract shall:

(1) [~~,~~] 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 not later than the 30th day after the date the debt cancellation agreement terminates, 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 holder described by Subsection (e), shall:

(1) not later than the 60th day after the date the debt cancellation agreement terminates 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 not later than the 30th day after the date the debt cancellation agreement terminates, including by electronic means, to the administrator of the agreement or retail seller, as appropriate.

(f) The administrator of the agreement or retail seller, only after receiving the written instructions specified under Subsection (e)(2) or (e-1)(2), [~~holder~~] shall ensure that a refund or credit of an appropriate amount of a debt cancellation agreement fee [~~made by another person under Subsection (e)(2~~)] is made not later than the 60th day after the date the debt cancellation agreement terminates.

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

SECTION 2.  The changes in law made by this Act to Section 354.007, Finance Code, are procedural only and do not require the refiling of forms to implement.

SECTION 3.  This Act takes effect September 1, 2023.