

By: Ordaz

H.B. No. 1384

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 [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

1 subject to a declaration of disaster by the governor under Section
2 418.014, Government Code.

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

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

16 SECTION 3. Section 393.629, Finance Code, as added by this
17 Act, applies only to an extension of consumer credit made on or
18 after the effective date of this Act. An extension of consumer
19 credit made before the effective date of this Act is governed by the
20 law in effect on the date the extension of consumer credit was made,
21 and the former law is continued in effect for that purpose.

22 SECTION 4. This Act takes effect September 1, 2023.