

1-1 By: Johnson S.B. No. 1371
 1-2 (In the Senate - Filed March 1, 2023; March 16, 2023, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 19, 2023, reported favorably by the following vote: Yeas 11,
 1-5 Nays 0; April 19, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the regulation of consumer credit transactions and the
 1-22 regulatory authority of the consumer credit commissioner; changing
 1-23 a fee.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 393.628, Finance Code, is transferred to
 1-26 Subchapter C, Chapter 14, Finance Code, redesignated as Section
 1-27 14.113, Finance Code, and amended to read as follows:

1-28 Sec. 14.113 [~~393.628~~]. TEXAS FINANCIAL EDUCATION
 1-29 ENDOWMENT. (a) As part of the licensing fee and procedures
 1-30 described under Subchapter G, Chapter 393 [~~this subchapter~~], each
 1-31 credit access business or [~~license~~] holder of a credit access
 1-32 business license shall pay to the commissioner an annual assessment
 1-33 to improve consumer credit, financial education, and
 1-34 asset-building opportunities in this state. The annual assessment
 1-35 may not exceed \$200 for each license as specified by the finance
 1-36 commission.

1-37 (b) The commissioner shall remit to the comptroller amounts
 1-38 received under Subsection (a) for deposit in an interest-bearing
 1-39 deposit account in the Texas Treasury Safekeeping Trust Company.
 1-40 Money in the account may be spent by the finance commission only for
 1-41 the purposes provided by this section. Amounts in the account may
 1-42 be invested and reinvested under the prudent person standard
 1-43 described by Section 11b, Article VII, Texas Constitution [~~in the~~
 1-44 ~~same manner as funds of the Employees Retirement System of Texas~~],
 1-45 and the interest from those investments shall be deposited to the
 1-46 credit of the account.

1-47 (b-1) The expenses of managing the investments may be paid
 1-48 from the deposit account described by Subsection (b).

1-49 (c) The Texas Financial Education Endowment shall be
 1-50 administered by the finance commission to support statewide
 1-51 financial education and consumer credit building activities and
 1-52 programs, including:

1-53 (1) production and dissemination of approved
 1-54 financial education materials at licensed locations;

1-55 (2) advertising, marketing, and public awareness
 1-56 campaigns to improve the credit profiles and credit scores of
 1-57 consumers in this state;

1-58 (3) school and youth-based financial literacy and
 1-59 capability;

1-60 (4) credit building and credit repair;

1-61 (5) financial coaching and consumer counseling;

2-1 (6) bank account enrollment and incentives for
2-2 personal savings; and

2-3 (7) other consumer financial education and
2-4 asset-building initiatives as considered appropriate by the
2-5 finance commission.

2-6 (d) In implementing this section, the finance commission
2-7 may make grants and may solicit gifts, grants, and donations for
2-8 this purpose.

2-9 (e) The finance commission may partner with other state
2-10 agencies and entities to implement this section.

2-11 (f) The finance commission shall adopt rules to administer
2-12 this section.

2-13 SECTION 2. Section 14.209(a), Finance Code, is amended to
2-14 read as follows:

2-15 (a) In addition to other remedies for the enforcement of a
2-16 restraining order or injunction, the court in which an action is
2-17 brought under Section 14.208(c) [~~14.208(b)~~] may impound and appoint
2-18 a receiver for the defendant's property and business, including a
2-19 document relating to the property or business, as the court
2-20 considers reasonably necessary to prevent a violation through use
2-21 of the property and business.

2-22 SECTION 3. Section 156.554(b), Finance Code, is amended to
2-23 read as follows:

2-24 (b) The commissioner:

2-25 (1) may provide grants in an aggregate amount of not
2-26 more than \$100,000 each year to an auxiliary mortgage loan activity
2-27 company or another nonprofit organization for the purposes of:

2-28 (A) providing to consumers financial education
2-29 relating to mortgage loans; and

2-30 (B) providing to other nonprofit organizations
2-31 training in order for those organizations to provide to consumers
2-32 financial education relating to mortgage loans;

2-33 (2) shall make disbursements from the fund to pay
2-34 claims made under Section 156.555 that meet the requirements for
2-35 payment under that section; and

2-36 (3) may make disbursements from the fund to provide
2-37 support for statewide financial education, activities, and
2-38 programs specifically related to mortgage loans for consumers,
2-39 including activities and programs described by Section 14.113(c)
2-40 [~~393.628(c)~~].

2-41 SECTION 4. Section 180.002(5), Finance Code, is amended to
2-42 read as follows:

2-43 (5) "Dwelling" has the meaning assigned by Section
2-44 103(w) [~~103(v)~~] of the Truth in Lending Act (15 U.S.C. Section
2-45 1602(w) [~~1602(v)~~]).

2-46 SECTION 5. Section 303.015(c), Finance Code, is amended to
2-47 read as follows:

2-48 (c) A variable rate agreement for credit extended primarily
2-49 for personal, family, or household use must include the disclosures
2-50 identified for variable rate contracts required by regulations
2-51 issued by the Federal Reserve Board and the Consumer Financial
2-52 Protection Bureau under the Truth in Lending Act (15 U.S.C. Section
2-53 1601 et seq.), as amended, except that if that Act does not apply
2-54 because of the amount of the transaction, the following disclosure
2-55 must be included in a size equal to at least 10-point type that is
2-56 boldface, capitalized, underlined, or otherwise set out from
2-57 surrounding material so as to be conspicuous:

2-58 "NOTICE TO CONSUMER: UNDER TEXAS LAW, IF YOU CONSENT TO THIS
2-59 AGREEMENT, YOU MAY BE SUBJECT TO A FUTURE RATE AS HIGH AS 24 PERCENT
2-60 PER YEAR."

2-61 SECTION 6. Section 303.402(a), Finance Code, is amended to
2-62 read as follows:

2-63 (a) A person who contracts for, charges, or receives under a
2-64 contract subject to Chapter 342, 345, 346, 347, 348, or 353,
2-65 including a contract for an open-end account, a rate or amount of
2-66 interest or time price differential that exceeds the maximum
2-67 applicable rate or amount authorized by the applicable chapter or
2-68 this chapter is subject to a penalty for that violation determined
2-69 under Chapter 349.

3-1 SECTION 7. Sections 308.002(c) and (e), Finance Code, are
 3-2 amended to read as follows:

3-3 (c) In interpreting this section, an administrative agency
 3-4 or a court shall be guided by the applicable advertising provisions
 3-5 of:

3-6 (1) Part C of the Truth in Lending Act [15 U.S.C.
 3-7 Chapter 41, Subchapter I] (15 U.S.C. Section 1661 [1601] et seq.);

3-8 (2) Regulation Z (12 C.F.R. Parts 226 and 1026) [12
 3-9 C.F.R. Part 226] adopted by the Board of Governors of the Federal
 3-10 Reserve System and the Consumer Financial Protection Bureau; and

3-11 (3) the Official Staff Commentary and other
 3-12 interpretations of that statute and regulation by the Board of
 3-13 Governors of the Federal Reserve System, the Consumer Financial
 3-14 Protection Bureau, and the staff of those agencies [its staff].

3-15 (e) A creditor who complies with the Truth in Lending Act
 3-16 (15 U.S.C. Section 1601 et seq.) and [~~Federal Reserve~~] Regulation Z
 3-17 (12 C.F.R. Parts [~~Part~~] 226 and 1026) in advertising a credit
 3-18 transaction is considered to have fully complied with this section.

3-19 SECTION 8. Section 341.301(a), Finance Code, is amended to
 3-20 read as follows:

3-21 (a) In each advertisement that purports to offer credit
 3-22 regulated by this subtitle, Subtitle C, or Chapter 394, the
 3-23 advertiser shall disclose the legal or registered name of the
 3-24 advertiser and:

3-25 (1) shall disclose the street address of the
 3-26 advertiser's place of business unless the advertisement:

3-27 (A) is located on the premises of the
 3-28 advertiser's place of business; or

3-29 (B) is broadcast by radio or television; or

3-30 (2) if the advertisement is broadcast by radio or
 3-31 television, shall:

3-32 (A) disclose the telephone number of the
 3-33 advertiser; and

3-34 (B) comply with the applicable disclosure
 3-35 requirements of Regulation Z (12 C.F.R. Parts 226 and 1026) [~~12~~
 3-36 ~~C.F.R. Section 226.1 et seq. (Regulation Z)]].~~

3-37 SECTION 9. Section 341.401(b), Finance Code, is amended to
 3-38 read as follows:

3-39 (b) In interpreting this section, a court or administrative
 3-40 agency shall be guided by the Equal Credit Opportunity Act (15
 3-41 U.S.C. Section 1691 et seq.) and regulations under and
 3-42 interpretations of that Act by the Federal Reserve Board and the
 3-43 Consumer Financial Protection Bureau to the extent that Act and
 3-44 those regulations and interpretations can be made applicable to
 3-45 conduct prohibited by this section.

3-46 SECTION 10. Section 341.402(b), Finance Code, is amended to
 3-47 read as follows:

3-48 (b) The liability of a person under this section is instead
 3-49 of and not in addition to that person's liability under the Equal
 3-50 Credit Opportunity [Title VII of the Consumer Credit Protection]
 3-51 Act (15 U.S.C. Section 1691 et seq.). If the same act or omission
 3-52 violates Section 341.401 and applicable federal law, the person
 3-53 aggrieved by that conduct may bring a legal action to recover
 3-54 monetary damages either under this section or under that federal
 3-55 law, but not both.

3-56 SECTION 11. Section 341.502(a-1), Finance Code, is amended
 3-57 to read as follows:

3-58 (a-1) If the terms of the agreement for a loan under
 3-59 Subsection (a) were negotiated in Spanish, a copy of a summary of
 3-60 those terms and other pertinent information shall be provided to
 3-61 the debtor in Spanish in a form identical to disclosures required
 3-62 for a closed-end transaction under 12 C.F.R. Section 1026.18
 3-63 [226.18].

3-64 SECTION 12. Section 341.602(f), Finance Code, is amended to
 3-65 read as follows:

3-66 (f) The commissioner shall remit to the comptroller amounts
 3-67 received under Section 341.603(a) for deposit in an
 3-68 interest-bearing deposit account in the Texas Treasury Safekeeping
 3-69 Trust Company. Amounts in the fund may be invested and reinvested

4-1 under the prudent person standard described by Section 11b, Article
4-2 VII, Texas Constitution [~~in the same manner as funds of the~~
4-3 ~~Employees Retirement System of Texas~~], and the interest from those
4-4 investments shall be deposited to the credit of the fund. An
4-5 investment may not be made under this subsection if the investment
4-6 will impair the necessary liquidity required to satisfy payment of
4-7 claims [~~judgments awarded~~] under this subchapter.

4-8 SECTION 13. Section 342.160, Finance Code, is amended to
4-9 read as follows:

4-10 Sec. 342.160. SURRENDER OF LICENSE. A license holder may
4-11 surrender a license issued under this chapter by complying with the
4-12 commissioner's written instructions relating to license surrender
4-13 [~~delivering to the commissioner:~~

- 4-14 [~~(1) the license; and~~
- 4-15 [~~(2) a written notice of the license's surrender~~].

4-16 SECTION 14. Section 342.556(a), Finance Code, is amended to
4-17 read as follows:

4-18 (a) An authorized lender shall maintain on file with the
4-19 commissioner the name and address of [~~a written appointment of a~~
4-20 ~~resident of this state as~~] the lender's registered agent for
4-21 service [~~of all judicial or other process or legal notice, unless~~
4-22 ~~the lender has appointed an agent under another statute of this~~
4-23 ~~state~~].

4-24 SECTION 15. Section 343.201, Finance Code, is amended to
4-25 read as follows:

4-26 Sec. 343.201. DEFINITIONS. In this subchapter:

- 4-27 (1) "High-cost home loan" means a loan that:
 - 4-28 (A) is made to one or more individuals for
 - 4-29 personal, family, or household purposes;
 - 4-30 (B) is secured in whole or part by:
 - 4-31 (i) a manufactured home, as defined by
 - 4-32 Section 347.002, used or to be used as the borrower's principal
 - 4-33 residence; or
 - 4-34 (ii) real property improved by a dwelling
 - 4-35 designed for occupancy by four or fewer families and used or to be
 - 4-36 used as the borrower's principal residence;
 - 4-37 (C) has a principal amount equal to or less than
 - 4-38 one-half of the maximum conventional loan amount for first
 - 4-39 mortgages as established and adjusted by the Federal National
 - 4-40 Mortgage Association;
 - 4-41 (D) is not:
 - 4-42 (i) a reverse mortgage; or
 - 4-43 (ii) an open-end account, as defined by
 - 4-44 Section 301.002; and
 - 4-45 (E) is a credit transaction described by 12
 - 4-46 C.F.R. Section 1026.32 [~~226.32~~], as amended, except that the term
 - 4-47 includes a residential mortgage transaction, as defined by 12
 - 4-48 C.F.R. Section 1026.2 [~~226.2~~], as amended, if the total loan amount
 - 4-49 is \$20,000 or more and:
 - 4-50 (i) the annual percentage rate exceeds the
 - 4-51 rate indicated in 12 C.F.R. Section 1026.32(a)(1)(i)
 - 4-52 [~~226.32(a)(1)(i)~~], as amended; or
 - 4-53 (ii) the total points and fees payable by
 - 4-54 the consumer at or before loan closing will exceed the amount
 - 4-55 indicated in 12 C.F.R. Section 1026.32(a)(1)(ii)
 - 4-56 [~~226.32(a)(1)(ii)~~], as amended.
 - 4-57 (2) "Points and fees" has the meaning assigned by 12
 - 4-58 C.F.R. Section 1026.32(b) [~~226.32(b)~~], as amended.

4-59 SECTION 16. Section 345.106, Finance Code, is amended to
4-60 read as follows:

4-61 Sec. 345.106. PROCESSING FEE FOR RETURNED CHECK. A retail
4-62 charge agreement may provide that the holder of the agreement may:
4-63 (1) charge the retail buyer, on return of a dishonored
4-64 check given in payment under the agreement, a reasonable processing
4-65 fee that does not exceed the amount prescribed by Section 3.506,
4-66 Business & Commerce Code [~~is not more than \$15~~]; and

4-67 (2) add the fee to the unpaid balance under the
4-68 agreement.

4-69 SECTION 17. Section 345.351(a), Finance Code, is amended to

5-1 read as follows:

5-2 (a) A holder who is not an authorized lender under Chapter
5-3 342 or a credit union shall:

5-4 (1) register with the Office of Consumer Credit
5-5 Commissioner; and

5-6 (2) pay a fee in an amount determined under Section
5-7 14.107 [~~of \$10~~] for each location at which a retail installment
5-8 transaction is originated, serviced, or collected.

5-9 SECTION 18. Section 347.451(a), Finance Code, is amended to
5-10 read as follows:

5-11 (a) A creditor who is not an authorized lender under Chapter
5-12 342 or a credit union shall:

5-13 (1) register with the Office of Consumer Credit
5-14 Commissioner; and

5-15 (2) pay a fee in an amount determined under Section
5-16 14.107 [~~of \$15~~] for each location at which a credit transaction is
5-17 originated, serviced, or collected.

5-18 SECTION 19. Section 348.009(a), Finance Code, is amended to
5-19 read as follows:

5-20 (a) The disclosure requirements of Regulation Z (12 C.F.R.
5-21 Parts 226 and 1026) [~~12 C.F.R. Part 226 (Regulation Z)~~] adopted
5-22 under the Truth in Lending Act (15 U.S.C. Section 1601 et seq.) and
5-23 specifically 12 C.F.R. Sections [~~Section~~] 226.18(f) and
5-24 1026.18(f), regarding variable rate disclosures, apply according
5-25 to their terms to retail installment transactions.

5-26 SECTION 20. Section 348.404(d), Finance Code, is amended to
5-27 read as follows:

5-28 (d) A retail seller may include money advanced under
5-29 Subsection (b) in the retail installment contract only if it is
5-30 included as an itemized charge and may disclose money advanced
5-31 under Subsection (b) in any manner permitted by Regulation Z (12
5-32 C.F.R. Parts 226 and 1026) [~~12 C.F.R. Part 226 (Regulation Z)~~]
5-33 adopted under the Truth in Lending Act (15 U.S.C. Section 1601 et
5-34 seq.). Section 349.003 does not apply to this subsection. This
5-35 subsection does not create a private right of action. The
5-36 commissioner has exclusive jurisdiction to enforce this
5-37 subsection.

5-38 SECTION 21. Section 348.510, Finance Code, is amended to
5-39 read as follows:

5-40 Sec. 348.510. SURRENDER OF LICENSE. A license holder may
5-41 surrender a license issued under this chapter by complying with the
5-42 commissioner's written instructions relating to license surrender
5-43 [~~delivering to the commissioner:~~

5-44 [~~(1) the license, and~~

5-45 [~~(2) a written notice of the license's surrender~~].

5-46 SECTION 22. Section 351.0022, Finance Code, is amended to
5-47 read as follows:

5-48 Sec. 351.0022. WAIVER PROHIBITED. Except as specifically
5-49 permitted by this chapter or Chapter 32, Tax Code, a property owner
5-50 may not waive or limit a requirement imposed on a property tax
5-51 lender by this chapter or Chapter 32, Tax Code.

5-52 SECTION 23. Section 351.160, Finance Code, is amended to
5-53 read as follows:

5-54 Sec. 351.160. SURRENDER OF LICENSE. A license holder may
5-55 surrender a license issued under this chapter by complying with the
5-56 commissioner's written instructions relating to license surrender
5-57 [~~delivering to the commissioner:~~

5-58 [~~(1) the license, and~~

5-59 [~~(2) a written notice of the license's surrender~~].

5-60 SECTION 24. Section 352.006(b), Finance Code, is amended to
5-61 read as follows:

5-62 (b) If the commissioner proposes to revoke a registration,
5-63 the facilitator is entitled to notice and an opportunity for a
5-64 hearing before the commissioner or a hearings officer, who shall
5-65 propose a decision to the commissioner. The commissioner or
5-66 hearings officer shall prescribe the time and place of the hearing
5-67 if the facilitator makes a written request for a hearing not later
5-68 than the 30th day after the date on which the order of revocation is
5-69 served [~~20th day after the date the facilitator receives the notice~~

6-1 ~~of the proposed revocation].~~ The hearing is governed by Chapter
6-2 2001, Government Code.

6-3 SECTION 25. Section 353.510, Finance Code, is amended to
6-4 read as follows:

6-5 Sec. 353.510. SURRENDER OF LICENSE. A license holder may
6-6 surrender a license issued under this chapter by complying with the
6-7 commissioner's written instructions relating to license surrender
6-8 ~~[delivering to the commissioner:~~

6-9 ~~[(1) the license; and~~

6-10 ~~[(2) a written notice of the license's surrender].~~

6-11 SECTION 26. Section 371.073(a), Finance Code, is amended to
6-12 read as follows:

6-13 (a) A pawnbroker shall maintain on file with the
6-14 commissioner the name and address of ~~[a written appointment of a~~
6-15 ~~resident of this state as]~~ the pawnbroker's registered agent for
6-16 service of ~~[all judicial or other]~~ process ~~[or legal notice unless~~
6-17 ~~the pawnbroker has appointed an agent under another statute of this~~
6-18 ~~state].~~

6-19 SECTION 27. Section 371.157, Finance Code, is amended to
6-20 read as follows:

6-21 Sec. 371.157. PAWN TICKET. A pawnbroker, at the time a pawn
6-22 transaction is entered, shall deliver to the pledgor a pawn ticket
6-23 or other memorandum that clearly shows:

6-24 (1) the name and address of the pawnshop;

6-25 (2) the pledgor's name, address, and physical
6-26 description and a driver's license number, military identification
6-27 number, identification certificate number, or other official
6-28 number that can identify the pledgor;

6-29 (3) the date of the transaction;

6-30 (4) an identification and description of the pledged
6-31 goods, including serial numbers if reasonably available;

6-32 (5) the amount of cash advanced or credit extended to
6-33 the pledgor, designated as "Amount Financed";

6-34 (6) the amount of the pawn service charge, designated
6-35 as "Finance Charge";

6-36 (7) the total amount, consisting of the amount
6-37 financed plus the finance charge, that must be paid to redeem the
6-38 pledged goods on the maturity date, designated as "Total of
6-39 Payments";

6-40 (8) the "Annual Percentage Rate," computed according
6-41 to Regulation Z (12 C.F.R. Part 1026) adopted ~~[regulations issued]~~
6-42 ~~by the Consumer Financial Protection Bureau [Federal Reserve Board]~~
6-43 ~~under the Truth in Lending Act (15 U.S.C. Section 1601 et seq.),~~ as
6-44 amended;

6-45 (9) the maturity date of the pawn transaction; and

6-46 (10) a statement that:

6-47 (A) the pledgor is not obligated to redeem the
6-48 pledged goods; and

6-49 (B) the pledged goods may be forfeited to the
6-50 pawnbroker on the 31st day after the maturity date.

6-51 SECTION 28. Section 371.255, Finance Code, is amended to
6-52 read as follows:

6-53 Sec. 371.255. REVOCATION OR SUSPENSION OF PAWNSHOP EMPLOYEE
6-54 LICENSE. After notice and opportunity for a hearing, the
6-55 commissioner may revoke or suspend a pawnshop employee license if
6-56 the commissioner finds that:

6-57 (1) the license holder knowingly or recklessly
6-58 violated this chapter or a rule adopted or order issued under this
6-59 chapter;

6-60 (2) a fact or condition exists that, if it had existed
6-61 or had been known to exist at the time of the original license
6-62 application, clearly would have justified refusal to issue the
6-63 license; or

6-64 (3) the business repute and general fitness of the
6-65 license holder do not warrant belief that the license holder will
6-66 operate the business lawfully and fairly within the provisions of
6-67 this chapter.

6-68 SECTION 29. Section 371.257(a), Finance Code, is amended to
6-69 read as follows:

7-1 (a) The holder of a pawnshop license or a pawnshop employee
 7-2 license may surrender the license by complying with the
 7-3 commissioner's written instructions relating to license surrender
 7-4 ~~[delivering it to the commissioner with written notice of~~
 7-5 ~~surrender]~~.

7-6 SECTION 30. Section 393.617, Finance Code, is amended to
 7-7 read as follows:

7-8 Sec. 393.617. SURRENDER OF LICENSE. A license holder may
 7-9 surrender a license issued under this subchapter by complying with
 7-10 the commissioner's written instructions relating to license
 7-11 surrender ~~[delivering to the commissioner:~~
 7-12 ~~[(1) the license, and~~
 7-13 ~~[(2) a written notice of the license's surrender]~~.

7-14 SECTION 31. Section 394.2101(a), Finance Code, is amended
 7-15 to read as follows:

7-16 (a) The commissioner shall compute and publish the dollar
 7-17 amounts of fees or other charges in amounts different from the
 7-18 amounts of fees or other charges specified in Section 394.210 to
 7-19 reflect inflation, as measured by the Consumer Price Index for All
 7-20 Urban Consumers published by the Bureau of Labor Statistics of the
 7-21 United States Department of Labor or, if that index is not
 7-22 available, another index adopted by finance commission rule. The
 7-23 commissioner shall adopt a base year and adjust the dollar amounts,
 7-24 effective on July 1 of each year, if the change in the index from the
 7-25 base year, as of December 31 of the preceding year, is at least 10
 7-26 percent. The dollar amounts ~~[must be rounded to the nearest \$100,~~
 7-27 ~~except that the amounts of the fees and other charges]~~ specified in
 7-28 Section 394.210 must be rounded to the nearest dollar.

7-29 SECTION 32. Section 394.212(a), Finance Code, is amended to
 7-30 read as follows:

7-31 (a) A provider may not:
 7-32 (1) purchase a debt or obligation of a consumer;
 7-33 (2) receive or charge a fee in the form of a promissory
 7-34 note or other negotiable instrument other than a check or a draft;
 7-35 (3) lend money or provide credit to the consumer;
 7-36 (4) obtain a mortgage or other security interest in
 7-37 property owned by a consumer;
 7-38 (5) engage in business with a for-profit business ~~[an]~~
 7-39 entity described by Section 394.204(c)(7) [394.204(c)(3)] without
 7-40 prior consent of the commissioner, except that unless denied,
 7-41 consent is considered granted 30 days after the date the provider
 7-42 notifies the commissioner of the intent to engage in business with a
 7-43 for-profit business entity [an organization] described by Section
 7-44 394.204(c)(7) [394.204(c)(3)];
 7-45 (6) offer, pay, or give a gift, bonus, premium,
 7-46 reward, or other compensation to a person for entering into a debt
 7-47 management services agreement;
 7-48 (7) represent that the provider is authorized or
 7-49 competent to furnish legal advice or perform legal services unless
 7-50 supervised by an attorney as required by State Bar of Texas rules;
 7-51 (8) use an unconscionable means to obtain a contract
 7-52 with a consumer;
 7-53 (9) engage in an unfair, deceptive, or unconscionable
 7-54 act or practice in connection with a service provided to a consumer;
 7-55 or
 7-56 (10) require or attempt to require payment of an
 7-57 amount that the provider states, discloses, or advertises to be a
 7-58 voluntary contribution from the consumer.

7-59 SECTION 33. Sections 32.06(d-1) and (f-3), Tax Code, are
 7-60 amended to read as follows:

7-61 (d-1) A right of rescission described by the Truth in
 7-62 Lending Act (15 U.S.C. Section 1635) and Regulation Z (12 C.F.R.
 7-63 Section 1026.23) [12 C.F.R. Section 226.23] applies to a transfer
 7-64 under this section of a tax lien on residential property owned and
 7-65 used by the property owner for personal, family, or household
 7-66 purposes.

7-67 (f-3) Notwithstanding any contractual agreement with the
 7-68 property owner, the transferee of a tax lien must provide the payoff
 7-69 information required by this section to the greatest extent

8-1 permitted by the Gramm-Leach-Bliley Act (15 U.S.C. Section 6802)
8-2 and Regulation P (12 C.F.R. Part 1016) [~~15 U.S.C. Section 6802 and~~
8-3 ~~12 C.F.R. Part 216~~]. The payoff statement must meet the
8-4 requirements of a payoff statement defined by Section 12.017,
8-5 Property Code. A transferee may charge a reasonable fee for a
8-6 payoff statement that is requested after an initial payoff
8-7 statement is provided. However, a transferee is not required to
8-8 release payoff information pursuant to a notice under Subsection
8-9 (f-1) unless the notice contains the information prescribed by the
8-10 Finance Commission of Texas.

8-11 SECTION 34. The following provisions of the Finance Code
8-12 are repealed:

- 8-13 (1) Section 342.551(c);
- 8-14 (2) Section 342.556(b);
- 8-15 (3) Sections 371.006(b), (c), and (d); and
- 8-16 (4) Section 371.073(b).

8-17 SECTION 35. This Act takes effect September 1, 2023.

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