

Amend CSHB 700 (house committee report) as follows:

(1) Strike the phrase "Texas Department of Banking" wherever it appears in the bill and substitute "Office of the Consumer Credit Commissioner".

(2) Strike the phrase "department" wherever it appears in the bill and substitute "commissioner".

(3) On page 1, strike lines 18-20 and substitute "person who, for compensation or the expectation of compensation, obtains commercial sales-based financing for a recipient or offers to obtain commercial sales-based".

(4) On page 2, strike lines 8-9.

(5) On page 2, strike line 14 and substitute "(6) 'Provider' means a person who provides or will provide commercial sales-based financing to a recipient or who extends a specific".

(6) On page 3, between lines 11 and 12, insert the following appropriately numbered Section to read as follows:

Sec. 398.____. APPLICABILITY OF CHAPTER. This chapter applies to a provider who offers, obtains, or provides commercial sales-based financing services over the Internet to or for a recipient of this state, regardless of whether the provider maintains a physical presence in this state in the same manner and to the same extent to which this chapter applies to a commercial sales-based financing broker.

(7) On page 3, line 19, between "the" and "entity's", insert "exempt".

(8) On page 4, strike lines 3-4 and lines 25-27.

(9) On page 5, strike lines 4-5 and substitute "(b) The Office of Consumer Credit Commissioner may:

(1) bring enforcement actions;

(2) terminate or suspend registrations; and

(3) assess civil penalties.

(c) The Finance Commission of Texas shall adopt rules as necessary to administer, implement, and enforce this chapter, including rules to prohibit certain acts or practices by providers, including acts or practices that:

(1) the commission considers unfair because:

(A) the act or practice causes or is likely to

cause substantial injury to a recipient that the recipient cannot reasonably avoid; and

(B) the injury outweighs the benefits to recipients or to market competition;

(2) are material acts or practices that will or likely will mislead a recipient who, given the circumstances, has a reasonable interpretation of the act or practice;

(3) materially interfere with a recipient's ability to understand a term or condition of a commercial sales-based financing transaction; or

(4) take unreasonable advantage of:

(A) a recipient's lack of understanding of the material risks, costs, or conditions of the commercial sales-based financing transaction; or

(B) a recipient's inability to protect the recipient's interest in selecting or using a commercial sales-based financing product.

(10) On page 5, lines 8-9, strike "more than \$500,000" and substitute "less than \$1 million".

(11) On page 6, line 4, and line 8, between "is" and "repaid", insert "scheduled to be".

(12) On page 6, line 8, strike "and".

(13) On page 6, line 10, between "applicable" and the period, insert "; and

(11) a statement outlining whether the provider will pay compensation directly to a commercial sales-based financing broker in connection with the specific offer of sales-based financing and, if applicable, the amount of the compensation"

(14) On page 6, line 14, strike "from the same provider".

(15) On page 6, line 20, strike "that was" and substitute "or finance charges that were".

(16) On page 7, line 8, between "renewal" and the period, insert "or termination by the Office of Consumer Credit Commissioner".

(17) On page 7, line 21, strike "and".

(18) On page 7, line 23, between "process" and the period, insert "; and

(5) any judgment, memorandum of understanding, cease and desist order, or conviction against the provider or broker, or any person that otherwise controls the provider or broker or a director or officer of the provider or broker, related to a violation of law, act of fraud, breach of trust, or money laundering"

(19) On page 7, line 24, strike "Finance Commission of Texas" and substitute "Office of the Consumer Credit Commissioner".

(20) On page 8, between lines 6 and 7, insert the following appropriately numbered Section to read as follows:

Sec. 398.____. UNENFORCEABILITY OF CERTAIN CONTRACT PROVISIONS. A commercial sales-based financing contract that contains a confession of judgment provision or any similar provision is void and unenforceable.

(21) On page 8, line 9, strike all language beginning with the last comma through line 14 and substitute a period.

(22) On page 8, line 18, strike "January 1" and substitute "December 31".

(23) On page 8, line 19, after "broker", insert "or provider".

(24) On page 8, strike lines 22-26 and substitute "(b) Not later than September 1, 2026:

(1) the Finance Commission of Texas shall adopt initial rules under Section 398.004(c), Finance Code, as added by this Act; and

(2) the Office of Consumer Credit Commissioner shall adopt rules setting the registration and registration renewal fees and adopting a form for the registration of providers and commercial sales-based financing brokers as required under Section 398.053, Finance Code, as added by this Act."