

By: Bucy

H.B. No. 476

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the maximum permitted rate of interest, sum of fees, and  
3 other amounts that may be charged in connection with deferred  
4 presentment transactions; creating a criminal offense.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter M, Chapter 342, Finance Code, is  
7 amended by adding Section 342.606 to read as follows:

8 Sec. 342.606. MAXIMUM INTEREST RATES. (a) Unless a lower  
9 rate of interest is otherwise provided by law, the maximum rate or  
10 amount of interest that may be contracted for, charged, or received  
11 from a borrower is:

12 (1) for a deferred presentment transaction that  
13 advances more than \$300, 38.5 percent a year; and

14 (2) for a deferred presentment transaction that  
15 advances not more than \$300, 36 percent a year.

16 (b) A deferred presentment transaction entered into in  
17 violation of this section is void and unenforceable.

18 (c) A lender commits an offense if the lender enters into a  
19 deferred presentment transaction in violation of this section. An  
20 offense under this section is a Class A misdemeanor.

21 SECTION 2. Subchapter G, Chapter 393, Finance Code, is  
22 amended by adding Section 393.629 to read as follows:

23 Sec. 393.629. RESTRICTION ON CHARGES CHARGED IN CONNECTION  
24 WITH DEFERRED PRESENTMENT TRANSACTIONS. (a) For purposes of this

1 section, the annual percentage rate of an extension of consumer  
2 credit in the form of a deferred presentment transaction is  
3 calculated including the total charges charged to the consumer in  
4 connection with the extension of consumer credit, including  
5 interest, lender charges, and any fees or any other valuable  
6 consideration received by the credit access business or a  
7 representative of the credit access business.

8 (b) The annual percentage rate of an extension of consumer  
9 credit in the form of a deferred presentment transaction that a  
10 credit access business obtains for a consumer or assists a consumer  
11 in obtaining may not exceed:

12 (1) for a deferred presentment transaction that  
13 advances more than \$300, 38.5 percent; and

14 (2) for a deferred presentment transaction that  
15 advances not more than \$300, 36 percent.

16 (c) A deferred presentment transaction entered into in  
17 violation of this section is void and unenforceable.

18 SECTION 3. Sections 342.606 and 393.629, Finance Code, as  
19 added by this Act, apply only to a loan or extension of consumer  
20 credit, as applicable, made on or after the effective date of this  
21 Act. A loan or extension of consumer credit made before the  
22 effective date of this Act is governed by the law in effect on the  
23 date the loan or extension of consumer credit was made, and the  
24 former law is continued in effect for that purpose. For purposes of  
25 this section, a refinance of a loan or extension of consumer credit  
26 is considered made on the date the loan or extension of consumer  
27 credit being refinanced was made.

1 SECTION 4. This Act takes effect September 1, 2025.