

By: Zaffirini

S.B. No. 2902

A BILL TO BE ENTITLED

AN ACT

relating to the collection of consumer debt incurred by certain individuals as a result of identity theft.

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

SECTION 1. Subchapter D, Chapter 392, Finance Code, is amended by adding Section 392.308 to read as follows:

Sec. 392.308. CONSUMER VICTIM OF IDENTITY THEFT. (a) In this section, "identity theft" means:

(1) a violation of Section 521.051, Business & Commerce Code, or a substantially similar federal law or law in another state; or

(2) a criminal offense described by Section 32.51, Penal Code, or a substantially similar federal law or law in another state.

(b) This section does not apply to consumer debt that is a home loan, as defined by Chapter 343, or to the collection of a judgment already obtained.

(c) A creditor, debt collector, or third-party debt collector may not attempt to collect a consumer debt or a portion of a consumer debt from a consumer if the consumer provides:

(1) a court order issued under Section 521.103, Business & Commerce Code, or a substantially similar federal law or law in another state, declaring the consumer a victim of identity theft; or

1 (2) a copy of a Federal Trade Commission identity
2 theft victim's report, completed, signed, and filed by the
3 consumer:

4 (A) affirming that the consumer is a victim of
5 identity theft; and

6 (B) identifying the consumer debt or affected
7 portion of the consumer debt incurred as a result of identity theft.

8 (d) A creditor, debt collector, or third-party debt
9 collector who receives notice that a consumer debt is a result of
10 identity theft from a victim of identity theft in accordance with
11 Subsection (c):

12 (1) shall immediately cease efforts to collect the
13 disputed debt or disputed portion of the debt from the victim of
14 identity theft;

15 (2) shall send to each person who has previously
16 received a report relating to that debt from the creditor, debt
17 collector, or third-party debt collector notice that the debt is
18 disputed under this section and not collectible from the victim of
19 identity theft;

20 (3) may not sell the debt or transfer it for
21 consideration, except to collect the debt from the alleged
22 perpetrator of identity theft or from a responsible person other
23 than the victim of identity theft; and

24 (4) may, if the disputed debt or disputed portion of
25 the debt is secured by tangible personal property, enforce the
26 security interest under Chapter 9, Business & Commerce Code, but
27 may not collect or seek to collect any deficiency from the victim of

1 identity theft.

2 (e) If a creditor, debt collector, or third-party debt
3 collector has a good faith reason to believe that a consumer has
4 disputed a consumer debt or portion of a consumer debt under this
5 section based on a material misrepresentation that the consumer is
6 a victim of identity theft, the creditor, debt collector, or
7 third-party debt collector may file suit in a court of competent
8 jurisdiction to collect the debt from the consumer.

9 (f) A creditor, debt collector, or third-party debt
10 collector has standing to bring and may bring an action to exercise
11 any right, seek any remedy, or use any lawful means to collect a
12 consumer debt or a portion of consumer debt that is disputed under
13 this section from an alleged perpetrator of identity theft who by
14 means of identity theft obtained, used, or possessed the money,
15 goods, services, or property of the consumer who is a victim of the
16 alleged perpetrator's identity theft.

17 SECTION 2. This Act takes effect September 1, 2025.