

By: Alonzo

H.B. No. 376

A BILL TO BE ENTITLED

AN ACT

relating to use of a credit score by a business or lender.

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

SECTION 1. Subtitle A, Title 5, Business & Commerce Code, is amended by adding Chapter 73 to read as follows:

CHAPTER 73. USE OF CREDIT SCORE

Sec. 73.001. DEFINITION. In this chapter, "credit score" means a number or rating derived from an algorithm, computer application, model, or other process that is based on credit information and used to predict a consumer's creditworthiness or credit capacity.

Sec. 73.002. DISCRIMINATION PROHIBITED. (a) A business may not discriminate against a customer in the price or rate that the business charges for a good or service based on the customer's credit score.

(b) A person who makes an extension of credit to a borrower may not discriminate against the borrower in the amount or rate of interest charged based on the borrower's credit score.

(c) A violation of this section is a deceptive trade practice in addition to the practices described by Subchapter E, Chapter 17, and is actionable under that subchapter.

SECTION 2. This Act takes effect September 1, 2011.