

1-1 By: Eltife S.B. No. 1282  
 1-2 (In the Senate - Filed March 11, 2015; March 18, 2015, read  
 1-3 first time and referred to Committee on Business and Commerce;  
 1-4 April 20, 2015, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 8, Nays 0; April 20, 2015,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
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 COMMITTEE SUBSTITUTE FOR S.B. No. 1282 By: Eltife

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 Office of Consumer Credit Commissioner;  
 1-23 amending provisions subject to a criminal penalty.

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

1-25 SECTION 1. Section 14.2015, Finance Code, is amended to  
 1-26 read as follows:

1-27 Sec. 14.2015. CONFIDENTIALITY OF CERTAIN INFORMATION.

1-28 (a) Except as provided by Subsection (b), information or material  
 1-29 obtained or compiled by the commissioner in relation to an  
 1-30 examination or investigation by the commissioner or the  
 1-31 commissioner's representative of a license holder, registrant,  
 1-32 applicant, or other person under a provision listed in Section  
 1-33 14.201 [Section 339.001, Subtitle B or C, Title 4, Subchapter C of  
 1-34 Chapter 393, or Chapter 394] is confidential and may not be  
 1-35 disclosed by the commissioner or an officer or employee of the  
 1-36 Office of Consumer Credit Commissioner, including:

1-37 (1) information obtained from the [a] license holder,  
 1-38 registrant, applicant, or other person examined or investigated  
 1-39 [under Section 339.001, Subtitle B or C, Title 4, Subchapter C of  
 1-40 Chapter 393, or Chapter 394];

1-41 (2) work performed by the commissioner or the  
 1-42 commissioner's representative on information obtained from the [a]  
 1-43 license holder, registrant, applicant, or other person for the  
 1-44 purposes of an examination or investigation [conducted under  
 1-45 Section 339.001, Subtitle B or C, Title 4, Chapter 393 with  
 1-46 respect to a credit access business, or Chapter 394];

1-47 (3) a report on an examination or investigation of the  
 1-48 [a] license holder, registrant, applicant, or other person  
 1-49 [conducted under Section 339.001, Subtitle B or C, Title 4, Chapter  
 1-50 393 with respect to a credit access business, or Chapter 394]; and

1-51 (4) any written communications between the license  
 1-52 holder, registrant, applicant, or other person, as applicable, and  
 1-53 the commissioner or the commissioner's representative relating to  
 1-54 or referencing the [an] examination or investigation [conducted  
 1-55 under Section 339.001, Subtitle B or C, Title 4, Chapter 393 with  
 1-56 respect to a credit access business, or Chapter 394].

1-57 (b) The commissioner or the commissioner's representative  
 1-58 may disclose the confidential information or material described by  
 1-59 Subsection (a):

1-60 (1) to a department, agency, or instrumentality of

2-1 this state or the United States if the commissioner considers  
 2-2 disclosure to be necessary or proper to the enforcement of the laws  
 2-3 of this state or the United States and in the best interest of the  
 2-4 public;

2-5 (2) if the information was provided to or provided by  
 2-6 the license holder, registrant, applicant, or other person, and the  
 2-7 person consents to the release of the information or has published  
 2-8 the information contained in the release; or

2-9 (3) if the commissioner determines that release of the  
 2-10 information is required for an administrative hearing.

2-11 SECTION 2. Section 14.251, Finance Code, is amended by  
 2-12 adding Subsection (c) to read as follows:

2-13 (c) An order of restitution under Subsection (b) is subject  
 2-14 to the notice, procedure, and enforcement provisions of Sections  
 2-15 14.253 through 14.260 applicable to an administrative penalty.

2-16 SECTION 3. Section 14.256, Finance Code, is amended to read  
 2-17 as follows:

2-18 Sec. 14.256. ACCEPTANCE OF PENALTY; DEFAULT. If a person  
 2-19 accepts the determination and recommended penalty of the  
 2-20 commissioner or fails to make a timely written request for a  
 2-21 hearing, the commissioner by order shall approve the determination  
 2-22 and impose the recommended penalty.

2-23 SECTION 4. Section 14.257(a), Finance Code, is amended to  
 2-24 read as follows:

2-25 (a) If a person makes a timely written request for  
 2-26 ~~[requests]~~ a hearing ~~[or fails to give a timely response to the~~  
 2-27 ~~notice]~~, the commissioner shall set a hearing and give notice of the  
 2-28 hearing to the person by certified mail.

2-29 SECTION 5. Section 180.002(5), Finance Code, is amended to  
 2-30 read as follows:

2-31 (5) "Dwelling" has the meaning assigned by Section  
 2-32 103(w) ~~[103(v)]~~ of the Truth in Lending Act (15 U.S.C. Section  
 2-33 1602(w) ~~[1602(v)]~~).

2-34 SECTION 6. Section 303.015(c), Finance Code, is amended to  
 2-35 read as follows:

2-36 (c) A variable rate agreement for credit extended primarily  
 2-37 for personal, family, or household use must include the disclosures  
 2-38 identified for variable rate contracts required by regulations  
 2-39 issued by the Federal Reserve Board and the Bureau of Consumer  
 2-40 Financial Protection under the Truth in Lending Act (15 U.S.C.  
 2-41 Section 1601 et seq.), as amended, except that if that Act does not  
 2-42 apply because of the amount of the transaction, the following  
 2-43 disclosure must be included in a size equal to at least 10-point  
 2-44 type that is boldface, capitalized, underlined, or otherwise set  
 2-45 out from surrounding material so as to be conspicuous:

2-46 "NOTICE TO CONSUMER: UNDER TEXAS LAW, IF YOU CONSENT TO THIS  
 2-47 AGREEMENT, YOU MAY BE SUBJECT TO A FUTURE RATE AS HIGH AS 24 PERCENT  
 2-48 PER YEAR."

2-49 SECTION 7. Section 303.402(a), Finance Code, is amended to  
 2-50 read as follows:

2-51 (a) A person who contracts for, charges, or receives under a  
 2-52 contract subject to Chapter 342, 345, 346, 347, 348, or 353,  
 2-53 including a contract for an open-end account, a rate or amount of  
 2-54 interest or time price differential that exceeds the maximum  
 2-55 applicable rate or amount authorized by the applicable chapter and  
 2-56 the maximum applicable rate or amount authorized by ~~[or]~~ this  
 2-57 chapter is subject to a penalty for that violation determined under  
 2-58 Chapter 349.

2-59 SECTION 8. Sections 308.002(c) and (e), Finance Code, are  
 2-60 amended to read as follows:

2-61 (c) In interpreting this section, an administrative agency  
 2-62 or a court shall be guided by the applicable advertising provisions  
 2-63 of:

2-64 (1) Part C of the Truth in Lending Act ~~[15 U.S.C.~~  
 2-65 ~~Chapter 41, Subchapter I]~~ (15 U.S.C. Section 1661 ~~[1601]~~ et seq.);

2-66 (2) Regulation Z (12 C.F.R. Parts 226 and 1026) ~~[12~~  
 2-67 ~~C.F.R. Part 226]~~ adopted by the Board of Governors of the Federal  
 2-68 Reserve System and the Bureau of Consumer Financial Protection; and

2-69 (3) the Official Staff Commentary and other

3-1 interpretations of that statute and regulation by the Board of  
3-2 Governors of the Federal Reserve System, the Bureau of Consumer  
3-3 Financial Protection, and the staff of those agencies [~~its staff~~].

3-4 (e) A creditor who complies with the Truth in Lending Act  
3-5 (15 U.S.C. Section 1601 et seq.) and [~~Federal Reserve~~] Regulation Z  
3-6 (12 C.F.R. Parts [~~Part~~] 226 and 1026) in advertising a credit  
3-7 transaction is considered to have fully complied with this section.

3-8 SECTION 9. Section 341.301(a), Finance Code, is amended to  
3-9 read as follows:

3-10 (a) In each advertisement that purports to offer credit  
3-11 regulated by this subtitle, Subtitle C, or Chapter 394, the  
3-12 advertiser shall disclose the legal or registered name of the  
3-13 advertiser and:

3-14 (1) shall disclose the street address of the  
3-15 advertiser's place of business unless the advertisement:

3-16 (A) is located on the premises of the  
3-17 advertiser's place of business; or

3-18 (B) is broadcast by radio or television; or

3-19 (2) if the advertisement is broadcast by radio or  
3-20 television, shall:

3-21 (A) disclose the telephone number of the  
3-22 advertiser; and

3-23 (B) comply with the applicable disclosure  
3-24 requirements of Regulation Z (12 C.F.R. Parts 226 and 1026) [~~12~~  
3-25 ~~C.F.R. Section 226.1 et seq. (Regulation Z)~~].

3-26 SECTION 10. Section 341.401(b), Finance Code, is amended to  
3-27 read as follows:

3-28 (b) In interpreting this section, a court or administrative  
3-29 agency shall be guided by the Equal Credit Opportunity Act (15  
3-30 U.S.C. Section 1691 et seq.) and regulations under and  
3-31 interpretations of that Act by the Federal Reserve Board and the  
3-32 Bureau of Consumer Financial Protection to the extent that Act and  
3-33 those regulations and interpretations can be made applicable to  
3-34 conduct prohibited by this section.

3-35 SECTION 11. Section 341.402(b), Finance Code, is amended to  
3-36 read as follows:

3-37 (b) The liability of a person under this section is instead  
3-38 of and not in addition to that person's liability under the Equal  
3-39 Credit Opportunity [~~Title VII of the Consumer Credit Protection~~]  
3-40 Act (15 U.S.C. Section 1691 et seq.). If the same act or omission  
3-41 violates Section 341.401 and applicable federal law, the person  
3-42 aggrieved by that conduct may bring a legal action to recover  
3-43 monetary damages either under this section or under that federal  
3-44 law, but not both.

3-45 SECTION 12. Section 341.502(a-1), Finance Code, is amended  
3-46 to read as follows:

3-47 (a-1) If the terms of the agreement for a loan under  
3-48 Subsection (a) were negotiated in Spanish, a copy of a summary of  
3-49 those terms and other pertinent information shall be provided to  
3-50 the debtor in Spanish in a form identical to disclosures required  
3-51 for a closed-end transaction under 12 C.F.R. Sections [~~Section~~]  
3-52 226.18 and 1026.18.

3-53 SECTION 13. Section 342.156, Finance Code, is amended to  
3-54 read as follows:

3-55 Sec. 342.156. LICENSE SUSPENSION OR REVOCATION. After  
3-56 notice and an opportunity for a hearing the commissioner may  
3-57 suspend or revoke a license if the commissioner finds that:

3-58 (1) the license holder failed to pay the annual  
3-59 license fee, an examination fee, an investigation fee, or another  
3-60 charge imposed by the commissioner under this chapter;

3-61 (2) the license holder, knowingly or without the  
3-62 exercise of due care, violated this chapter or a rule adopted or  
3-63 order issued under this chapter;

3-64 (3) a fact or condition exists that, if it had existed  
3-65 or had been known to exist at the time of the original application  
3-66 for the license, clearly would have justified the commissioner's  
3-67 denial of the application; or

3-68 (4) the license holder has failed to ensure that an  
3-69 individual acting as a residential mortgage loan originator, as

4-1 defined by Section 180.002, in the making, transacting, or  
 4-2 negotiating of a loan subject to this chapter is licensed under this  
 4-3 chapter in accordance with Section 342.0515.

4-4 SECTION 14. Section 342.201, Finance Code, is amended by  
 4-5 adding Subsection (e-1) to read as follows:

4-6 (e-1) The interest charge under Subsection (e) must be  
 4-7 contracted for, charged, or received using the scheduled  
 4-8 installment earnings method or the true daily earnings method under  
 4-9 one of the following methods:

4-10 (1) applying the applicable daily rate to each part of  
 4-11 the unpaid principal balance corresponding to the brackets  
 4-12 described by Subsection (e) for the actual or scheduled number of  
 4-13 days during a payment period; or

4-14 (2) applying a single equivalent daily rate to the  
 4-15 unpaid principal balance for the actual or scheduled number of days  
 4-16 during a payment period, where the single equivalent daily rate is  
 4-17 determined at the inception of the loan using the scheduled  
 4-18 installment earnings method and would earn an amount of interest  
 4-19 authorized under Subsection (e) if the debt were paid to maturity  
 4-20 according to the schedule of payments.

4-21 SECTION 15. Section 343.201, Finance Code, is amended to  
 4-22 read as follows:

4-23 Sec. 343.201. DEFINITIONS. In this subchapter:

4-24 (1) "High-cost home loan" means a loan that:

4-25 (A) is made to one or more individuals for  
 4-26 personal, family, or household purposes;

4-27 (B) is secured in whole or part by:

4-28 (i) a manufactured home, as defined by  
 4-29 Section 347.002, used or to be used as the borrower's principal  
 4-30 residence; or

4-31 (ii) real property improved by a dwelling  
 4-32 designed for occupancy by four or fewer families and used or to be  
 4-33 used as the borrower's principal residence;

4-34 (C) has a principal amount equal to or less than  
 4-35 one-half of the maximum conventional loan amount for first  
 4-36 mortgages as established and adjusted by the Federal National  
 4-37 Mortgage Association;

4-38 (D) is not:

4-39 (i) a reverse mortgage; or

4-40 (ii) an open-end account, as defined by  
 4-41 Section 301.002; and

4-42 (E) is a credit transaction described by 12  
 4-43 C.F.R. Section 1026.32 [~~226.32~~], as amended, except that the term  
 4-44 includes a residential mortgage transaction, as defined by 12  
 4-45 C.F.R. Section 1026.2 [~~226.2~~], as amended, if the total loan amount  
 4-46 is \$20,000 or more and:

4-47 (i) the annual percentage rate exceeds the  
 4-48 rate indicated in 12 C.F.R. Section 1026.32(a)(1)(i)  
 4-49 [~~226.32(a)(1)(i)~~], as amended; or

4-50 (ii) the total points and fees payable by  
 4-51 the consumer at or before loan closing will exceed the amount  
 4-52 indicated in 12 C.F.R. Section 1026.32(a)(1)(ii)  
 4-53 [~~226.32(a)(1)(ii)~~], as amended.

4-54 (2) "Points and fees" has the meaning assigned by 12  
 4-55 C.F.R. Section 1026.32(b) [~~226.32(b)~~], as amended.

4-56 SECTION 16. Section 345.106, Finance Code, is amended to  
 4-57 read as follows:

4-58 Sec. 345.106. PROCESSING FEE FOR RETURNED CHECK. A retail  
 4-59 charge agreement may provide that the holder of the agreement may:

4-60 (1) charge the retail buyer, on return of a dishonored  
 4-61 check given in payment under the agreement, a reasonable processing  
 4-62 fee that does not exceed the amount prescribed by Section 3.506,  
 4-63 Business & Commerce Code [~~is not more than \$15~~]; and

4-64 (2) add the fee to the unpaid balance under the  
 4-65 agreement.

4-66 SECTION 17. Section 347.002(b), Finance Code, is amended to  
 4-67 read as follows:

4-68 (b) To the extent possible, a word or phrase used in this  
 4-69 chapter, other than a term defined by this section, has the meaning

5-1 assigned by the Truth in Lending [Part I, Consumer Credit  
 5-2 Protection] Act (15 U.S.C. Section 1601 et seq.) and its subsequent  
 5-3 amendments, as implemented by Regulation Z (12 C.F.R. Part 1026)  
 5-4 [12 C.F.R. 226.1 et seq.].

5-5 SECTION 18. Section 347.004(a), Finance Code, is amended to  
 5-6 read as follows:

5-7 (a) A creditor shall comply with all applicable  
 5-8 requirements, including required disclosures, under the Truth in  
 5-9 Lending [Part I, Consumer Credit Protection] Act (15 U.S.C. Section  
 5-10 1601 et seq.) and its subsequent amendments, as implemented by  
 5-11 Regulation Z (12 C.F.R. Part 1026) [12 C.F.R. 226.1 et seq.  
 5-12 (Regulation Z)] adopted under that Act.

5-13 SECTION 19. Section 347.056, Finance Code, is amended to  
 5-14 read as follows:

5-15 Sec. 347.056. AUTHORITY OF CONSUMER CREDIT COMMISSIONER  
 5-16 RELATING TO A CREDIT DOCUMENT. Except as provided by Section  
 5-17 347.004(a), the [The] commissioner may not require the inclusion of  
 5-18 any specific language or a disclosure on a credit document that is  
 5-19 not expressly required by:

5-20 (1) this chapter; or

5-21 (2) a regulation of the Office of the Comptroller of  
 5-22 the Currency [Thrift Supervision].

5-23 SECTION 20. Section 347.155(b), Finance Code, is amended to  
 5-24 read as follows:

5-25 (b) On prepayment, after deduction of an acquisition charge  
 5-26 that does not exceed \$50, the consumer is entitled to a refund  
 5-27 credit of the time price differential or interest. The amount of  
 5-28 the credit is computed on an actuarial basis in accordance with  
 5-29 regulations of the Office of the Comptroller of the Currency  
 5-30 [Thrift Supervision] adopted under the Depository Institutions  
 5-31 Deregulation and Monetary Control Act of 1980 (12 U.S.C. Section  
 5-32 1735f-7a [4a] et seq.) for the prepayment of a mortgage loan that is  
 5-33 secured by a first lien on a residential manufactured home.

5-34 SECTION 21. Section 347.356, Finance Code, is amended to  
 5-35 read as follows:

5-36 Sec. 347.356. REQUIREMENTS FOR ACTION TO REPOSSESS,  
 5-37 FORECLOSE, OR ACCELERATE PAYMENT OF ENTIRE DEBT. An action to  
 5-38 repossess a manufactured home, foreclose a lien on a manufactured  
 5-39 home, or accelerate payment of the entire unpaid balance of a credit  
 5-40 transaction must comply with the regulations of the Office of the  
 5-41 Comptroller of the Currency [Thrift Supervision] relating to the  
 5-42 disclosure required for repossession, foreclosure, or acceleration  
 5-43 except in extreme circumstances, including abandonment or  
 5-44 voluntary surrender of the manufactured home.

5-45 SECTION 22. Section 347.455(b), Finance Code, is amended to  
 5-46 read as follows:

5-47 (b) If the real property is included in the cash price of a  
 5-48 credit transaction, the creditor may:

5-49 (1) charge a fee that is ordinarily associated with a  
 5-50 real property transaction and is not prohibited by law, including a  
 5-51 fee that is associated with a real property transaction and  
 5-52 excluded from a finance charge under this chapter by the Consumer  
 5-53 Credit Protection Act (15 U.S.C. Section 1601 et seq.) and  
 5-54 Regulation Z (12 C.F.R. Part 1026) [12 C.F.R. Section 226.1 et seq.  
 5-55 (Regulation Z)] adopted under that Act; and

5-56 (2) elect to treat the manufactured home as if it were  
 5-57 residential real property for all purposes in connection with the  
 5-58 credit transaction by conspicuously disclosing that election to the  
 5-59 consumer.

5-60 SECTION 23. Section 348.005, Finance Code, as amended by  
 5-61 Chapters 355 (H.B. 2462), 1135 (H.B. 2741), and 1287 (H.B. 2202),  
 5-62 Acts of the 83rd Legislature, Regular Session, 2013, is reenacted  
 5-63 and amended to read as follows:

5-64 Sec. 348.005. ITEMIZED CHARGE. An amount in a retail  
 5-65 installment contract is an itemized charge if the amount is not  
 5-66 included in the cash price and is the amount of:

5-67 (1) the price of accessories;

5-68 (1-a) the price of services related to the sale;

5-69 (1-b) fees for registration, certificate of title, and

6-1 license and any additional registration fees charged by a deputy as  
 6-2 authorized by rules adopted under Section 520.0071 [~~520.008~~],  
 6-3 Transportation Code;  
 6-4 (2) any taxes;  
 6-5 (3) fees or charges prescribed by law and connected  
 6-6 with the sale or inspection of the motor vehicle; and  
 6-7 (4) charges authorized for insurance, service  
 6-8 contracts, warranties, automobile club memberships, or a debt  
 6-9 cancellation agreement by this chapter [~~Subchapter C~~].  
 6-10 SECTION 24. Section 348.009(a), Finance Code, is amended to  
 6-11 read as follows:  
 6-12 (a) The disclosure requirements of Regulation Z (12 C.F.R.  
 6-13 Parts 226 and 1026) [~~12 C.F.R. Part 226 (Regulation Z)~~] adopted  
 6-14 under the Truth in Lending Act (15 U.S.C. Section 1601 et seq.) and  
 6-15 specifically 12 C.F.R. Sections [~~Section~~] 226.18(f) and  
 6-16 1026.18(f), regarding variable rate disclosures, apply according  
 6-17 to their terms to retail installment transactions.  
 6-18 SECTION 25. Section 348.208(b), Finance Code, is amended to  
 6-19 read as follows:  
 6-20 (b) A retail installment contract may include as a separate  
 6-21 charge an amount for:  
 6-22 (1) motor vehicle property damage or bodily injury  
 6-23 liability insurance;  
 6-24 (2) mechanical breakdown insurance;  
 6-25 (3) participation in a [~~motor~~] vehicle [~~theft~~]  
 6-26 protection product authorized under Chapter 2306, Occupations Code  
 6-27 [~~plan~~];  
 6-28 (4) insurance to reimburse the retail buyer for the  
 6-29 amount computed by subtracting the proceeds of the buyer's basic  
 6-30 collision policy on the motor vehicle from the amount owed on the  
 6-31 vehicle if the vehicle has been rendered a total loss;  
 6-32 (5) a warranty or service contract relating to the  
 6-33 motor vehicle;  
 6-34 (6) an identity recovery service contract; or  
 6-35 (7) a debt cancellation agreement if the agreement is  
 6-36 included as a term of a retail installment contract under Section  
 6-37 348.124.  
 6-38 SECTION 26. Section 348.404(d), Finance Code, is amended to  
 6-39 read as follows:  
 6-40 (d) A retail seller may include money advanced under  
 6-41 Subsection (b) in the retail installment contract only if it is  
 6-42 included as an itemized charge and may disclose money advanced  
 6-43 under Subsection (b) in any manner permitted by Regulation Z (12  
 6-44 C.F.R. Parts 226 and 1026) [~~12 C.F.R. Part 226 (Regulation Z)~~]  
 6-45 adopted under the Truth in Lending Act (15 U.S.C. Section 1601 et  
 6-46 seq.). Section 349.003 does not apply to this subsection. This  
 6-47 subsection does not create a private right of action. The  
 6-48 commissioner has exclusive jurisdiction to enforce this  
 6-49 subsection.  
 6-50 SECTION 27. Section 348.508, Finance Code, is amended to  
 6-51 read as follows:  
 6-52 Sec. 348.508. LICENSE SUSPENSION OR REVOCATION. After  
 6-53 notice and an opportunity for a hearing the commissioner may  
 6-54 suspend or revoke a license if the commissioner finds that:  
 6-55 (1) the license holder failed to pay the annual  
 6-56 license fee, an examination fee, an investigation fee, or another  
 6-57 charge imposed by the commissioner;  
 6-58 (2) the license holder, knowingly or without the  
 6-59 exercise of due care, violated this chapter or a rule adopted or  
 6-60 order issued under this chapter; or  
 6-61 (3) a fact or condition exists that, if it had existed  
 6-62 or had been known to exist at the time of the original application  
 6-63 for the license, clearly would have justified the commissioner's  
 6-64 denial of the application.  
 6-65 SECTION 28. Section 351.0022, Finance Code, is amended to  
 6-66 read as follows:  
 6-67 Sec. 351.0022. WAIVER PROHIBITED. Except as specifically  
 6-68 permitted by this chapter or Chapter 32, Tax Code, a property owner  
 6-69 may not waive or limit a requirement imposed on a property tax

7-1 lender by this chapter or Chapter 32, Tax Code.

7-2 SECTION 29. Subchapter A, Chapter 351, Finance Code, is  
7-3 amended by adding Section 351.0081 to read as follows:

7-4 Sec. 351.0081. LENDER'S RECORDS; DOCUMENT RETENTION  
7-5 REQUIREMENTS. (a) A property tax lender shall maintain a record  
7-6 of each property tax loan made under this chapter as necessary to  
7-7 enable the commissioner to determine whether the lender is  
7-8 complying with this chapter.

7-9 (b) A property tax lender shall keep the record until the  
7-10 later of:

7-11 (1) the fourth anniversary of the date of the property  
7-12 tax loan; or

7-13 (2) the second anniversary of the date on which the  
7-14 final entry is made in the record.

7-15 (c) A record described by Subsection (a) must be prepared in  
7-16 accordance with accepted accounting practices.

7-17 (d) The commissioner shall accept a lender's system of  
7-18 records if the system discloses the information reasonably required  
7-19 under Subsection (a).

7-20 (e) A property tax lender shall keep each obligation signed  
7-21 by a property owner at an office in this state designated by the  
7-22 lender unless the obligation is transferred under an agreement that  
7-23 gives the commissioner access to the obligation.

7-24 SECTION 30. Section 351.156, Finance Code, is amended to  
7-25 read as follows:

7-26 Sec. 351.156. LICENSE SUSPENSION OR REVOCATION. After  
7-27 notice and an opportunity for a hearing the commissioner may  
7-28 suspend or revoke a license if the commissioner finds that:

7-29 (1) the license holder failed to pay the annual  
7-30 license fee, an examination fee, an investigation fee, or another  
7-31 charge imposed by the commissioner under this chapter;

7-32 (2) the license holder, knowingly or without the  
7-33 exercise of due care, violated this chapter or Section 32.06 or  
7-34 32.065, Tax Code, or a rule adopted or an order issued under this  
7-35 chapter or Section 32.06 or 32.065, Tax Code;

7-36 (3) a fact or condition exists that, if it had existed  
7-37 or had been known to exist at the time of the original application  
7-38 for the license, clearly would have justified the commissioner's  
7-39 denial of the application; or

7-40 (4) the license holder has failed to ensure that an  
7-41 individual acting as a residential mortgage loan originator, as  
7-42 defined by Section 180.002, in the making, transacting, or  
7-43 negotiating of a property tax loan for a principal dwelling is  
7-44 licensed under this chapter in accordance with Section 351.0515.

7-45 SECTION 31. Section 352.006(b), Finance Code, is amended to  
7-46 read as follows:

7-47 (b) If the commissioner proposes to revoke a registration,  
7-48 the facilitator is entitled to notice and an opportunity for a  
7-49 hearing before the commissioner or a hearings officer, who shall  
7-50 propose a decision to the commissioner. The commissioner or  
7-51 hearings officer shall prescribe the time and place of the hearing  
7-52 if the facilitator makes a written request for a hearing not later  
7-53 than the 20th day after the date the facilitator receives the notice  
7-54 of hearing. The hearing is governed by Chapter 2001, Government  
7-55 Code.

7-56 SECTION 32. Section 353.508, Finance Code, is amended to  
7-57 read as follows:

7-58 Sec. 353.508. LICENSE SUSPENSION OR REVOCATION. After  
7-59 notice and an opportunity for a hearing the commissioner may  
7-60 suspend or revoke a license if the commissioner finds that:

7-61 (1) the license holder failed to pay the annual  
7-62 license fee, an investigation fee, or another charge imposed by the  
7-63 commissioner;

7-64 (2) the license holder, knowingly or without the  
7-65 exercise of due care, violated this chapter or a rule adopted or  
7-66 order issued under this chapter; or

7-67 (3) a fact or condition exists that, if it had existed  
7-68 or had been known to exist at the time of the original application  
7-69 for the license, clearly would have justified the commissioner's

8-1 denial of the application.

8-2 SECTION 33. Section 371.157, Finance Code, is amended to  
8-3 read as follows:

8-4 Sec. 371.157. PAWN TICKET. A pawnbroker, at the time a pawn  
8-5 transaction is entered, shall deliver to the pledgor a pawn ticket  
8-6 or other memorandum that clearly shows:

8-7 (1) the name and address of the pawnshop;

8-8 (2) the pledgor's name, address, and physical  
8-9 description and a driver's license number, military identification  
8-10 number, identification certificate number, or other official  
8-11 number that can identify the pledgor;

8-12 (3) the date of the transaction;

8-13 (4) an identification and description of the pledged  
8-14 goods, including serial numbers if reasonably available;

8-15 (5) the amount of cash advanced or credit extended to  
8-16 the pledgor, designated as "Amount Financed";

8-17 (6) the amount of the pawn service charge, designated  
8-18 as "Finance Charge";

8-19 (7) the total amount, consisting of the amount  
8-20 financed plus the finance charge, that must be paid to redeem the  
8-21 pledged goods on the maturity date, designated as "Total of  
8-22 Payments";

8-23 (8) the "Annual Percentage Rate," computed according  
8-24 to Regulation Z (12 C.F.R. Part 1026) adopted [~~regulations issued~~]  
8-25 by the Bureau of Consumer Financial Protection [~~Federal Reserve~~  
8-26 ~~Board~~] under the Truth in Lending Act (15 U.S.C. Section 1601 et  
8-27 seq.), as amended;

8-28 (9) the maturity date of the pawn transaction; and

8-29 (10) a statement that:

8-30 (A) the pledgor is not obligated to redeem the  
8-31 pledged goods; and

8-32 (B) the pledged goods may be forfeited to the  
8-33 pawnbroker on the 31st day after the maturity date.

8-34 SECTION 34. Section 371.251(a), Finance Code, is amended to  
8-35 read as follows:

8-36 (a) After notice and an opportunity for a hearing, the  
8-37 commissioner may revoke or suspend a pawnshop license if the  
8-38 commissioner finds that:

8-39 (1) the pawnbroker has not paid a fee or charge imposed  
8-40 by the commissioner under this chapter;

8-41 (2) the pawnbroker, knowingly or without exercising  
8-42 due care to prevent the violation, has violated this chapter or a  
8-43 rule adopted or an order issued under this chapter;

8-44 (3) a fact or condition exists that, if it had existed  
8-45 or had been known to exist at the time of the original license  
8-46 application, clearly would have justified refusal to issue the  
8-47 license;

8-48 (4) the pawnbroker has established an association with  
8-49 an unlicensed person who, with the knowledge of the pawnbroker, has  
8-50 violated this chapter;

8-51 (5) the pawnbroker has aided or conspired with a  
8-52 person to circumvent this chapter;

8-53 (6) the pawnbroker or a legal or beneficial owner of  
8-54 the pawnbroker is not of good moral character or has been convicted  
8-55 of a crime that the commissioner finds directly relates to the  
8-56 duties and responsibilities of the occupation of pawnbroker or  
8-57 would otherwise make the person unfit for a pawnshop license under  
8-58 Section 371.052;

8-59 (7) the financial responsibility, experience,  
8-60 character, or general fitness of the pawnbroker or its owners and  
8-61 managers do not command the confidence of the public or warrant the  
8-62 belief that the business will be operated lawfully, fairly, and  
8-63 within the purposes of this chapter; or

8-64 (8) the pawnbroker has not maintained the minimum net  
8-65 assets required by Section 371.072.

8-66 SECTION 35. Section 371.255, Finance Code, is amended to  
8-67 read as follows:

8-68 Sec. 371.255. REVOCATION OR SUSPENSION OF PAWNSHOP EMPLOYEE  
8-69 LICENSE. After notice and an opportunity for a hearing, the

9-1 commissioner may revoke or suspend a pawnshop employee license if  
9-2 the commissioner finds that:

9-3 (1) the license holder knowingly or recklessly  
9-4 violated this chapter or a rule adopted or order issued under this  
9-5 chapter;

9-6 (2) a fact or condition exists that, if it had existed  
9-7 or had been known to exist at the time of the original license  
9-8 application, clearly would have justified refusal to issue the  
9-9 license; or

9-10 (3) the moral character, business repute, and general  
9-11 fitness of the license holder do not warrant belief that the license  
9-12 holder will operate the business lawfully and fairly within the  
9-13 provisions of this chapter.

9-14 SECTION 36. Section 393.614(a), Finance Code, is amended to  
9-15 read as follows:

9-16 (a) After notice and an opportunity for a hearing the  
9-17 commissioner may suspend or revoke a license if the commissioner  
9-18 finds that:

9-19 (1) the license holder failed to pay the annual  
9-20 license fee, an examination fee, an investigation fee, or another  
9-21 charge imposed by the commissioner under this subchapter;

9-22 (2) the license holder, knowingly or without the  
9-23 exercise of due care, violated this chapter or a rule adopted or  
9-24 order issued under this chapter; or

9-25 (3) a fact or condition exists that, if it had existed  
9-26 or had been known to exist at the time of the original application  
9-27 for the license, clearly would have justified the commissioner's  
9-28 denial of the application.

9-29 SECTION 37. Section 394.204(k), Finance Code, is amended to  
9-30 read as follows:

9-31 (k) In addition to the power to refuse an initial  
9-32 application as specified in this section, the commissioner may  
9-33 suspend or revoke a provider's registration after notice and an  
9-34 opportunity for a hearing if the commissioner finds that any of the  
9-35 following conditions are met:

9-36 (1) a fact or condition exists that if it had existed  
9-37 when the provider applied for registration would have been grounds  
9-38 for denying registration;

9-39 (2) a fact or condition exists that the commissioner  
9-40 was not aware of when the provider applied for registration and  
9-41 would have been grounds for denying registration;

9-42 (3) the provider violates this subchapter or rule or  
9-43 order of the commissioner under this subchapter;

9-44 (4) the provider is insolvent;

9-45 (5) the provider refuses to permit the commissioner to  
9-46 make an examination authorized by this subchapter;

9-47 (6) the provider fails to respond within a reasonable  
9-48 time and in an appropriate manner to communications from the  
9-49 commissioner;

9-50 (7) the provider has received money from or on behalf  
9-51 of a consumer for disbursement to a creditor under a debt management  
9-52 plan that provides for regular periodic payments to creditors in  
9-53 full repayment of the principal amount of the debts and the provider  
9-54 has failed to disburse money to the creditor on behalf of the  
9-55 consumer within a reasonable time, normally 30 days;

9-56 (8) the commissioner determines that the provider's  
9-57 trust account is not materially in balance with and reconciled to  
9-58 the consumer's account; or

9-59 (9) the provider fails to warrant the belief that the  
9-60 business will be operated lawfully and fairly and within the  
9-61 provisions and purposes of this subchapter.

9-62 SECTION 38. Section 394.212(a), Finance Code, is amended to  
9-63 read as follows:

9-64 (a) A provider may not:

9-65 (1) purchase a debt or obligation of a consumer;

9-66 (2) receive or charge a fee in the form of a promissory  
9-67 note or other negotiable instrument other than a check or a draft;

9-68 (3) lend money or provide credit to the consumer;

9-69 (4) obtain a mortgage or other security interest in

10-1 property owned by a consumer;  
 10-2 (5) engage in business with a for-profit business [an]  
 10-3 entity described by Section 394.204(c)(7) [~~394.204(c)(3)~~] without  
 10-4 prior consent of the commissioner, except that unless denied,  
 10-5 consent is considered granted 30 days after the date the provider  
 10-6 notifies the commissioner of the intent to engage in business with  
 10-7 the for-profit business entity [~~an organization~~] described by  
 10-8 Section 394.204(c)(7) [~~394.204(c)(3)~~];

10-9 (6) offer, pay, or give a gift, bonus, premium,  
 10-10 reward, or other compensation to a person for entering into a debt  
 10-11 management services agreement;

10-12 (7) represent that the provider is authorized or  
 10-13 competent to furnish legal advice or perform legal services unless  
 10-14 supervised by an attorney as required by State Bar of Texas rules;

10-15 (8) use an unconscionable means to obtain a contract  
 10-16 with a consumer;

10-17 (9) engage in an unfair, deceptive, or unconscionable  
 10-18 act or practice in connection with a service provided to a consumer;  
 10-19 or

10-20 (10) require or attempt to require payment of an  
 10-21 amount that the provider states, discloses, or advertises to be a  
 10-22 voluntary contribution from the consumer.

10-23 SECTION 39. Section 1956.0614(b), Occupations Code, is  
 10-24 amended to read as follows:

10-25 (b) If the commissioner proposes to revoke a registration,  
 10-26 the dealer is entitled to notice and an opportunity for a hearing  
 10-27 before the commissioner or a hearings officer, who shall propose a  
 10-28 decision to the commissioner. The commissioner or hearings officer  
 10-29 shall prescribe the time and place of the hearing if the dealer  
 10-30 makes a written request for a hearing not later than the 20th day  
 10-31 after the date the dealer receives the notice of the hearing. The  
 10-32 hearing is governed by Chapter 2001, Government Code.

10-33 SECTION 40. Sections 32.06(d-1) and (f-3), Tax Code, are  
 10-34 amended to read as follows:

10-35 (d-1) A right of rescission described by the Truth in  
 10-36 Lending Act (15 U.S.C. Section 1635) and Regulation Z (12 C.F.R.  
 10-37 Section 1026.23) [~~12 C.F.R. Section 226.23~~] applies to a transfer  
 10-38 under this section of a tax lien on residential property owned and  
 10-39 used by the property owner for personal, family, or household  
 10-40 purposes.

10-41 (f-3) Notwithstanding any contractual agreement with the  
 10-42 property owner, the transferee of a tax lien must provide the payoff  
 10-43 information required by this section to the greatest extent  
 10-44 permitted by the Gramm-Leach-Bliley Act (15 U.S.C. Section 6802)  
 10-45 and Regulation P (12 C.F.R. Section 1016) [~~15 U.S.C. Section 6802~~  
 10-46 and ~~12 C.F.R. Part 216~~]. The payoff statement must meet the  
 10-47 requirements of a payoff statement defined by Section 12.017,  
 10-48 Property Code. A transferee may charge a reasonable fee for a  
 10-49 payoff statement that is requested after an initial payoff  
 10-50 statement is provided. However, a transferee is not required to  
 10-51 release payoff information pursuant to a notice under Subsection  
 10-52 (f-1) unless the notice contains the information prescribed by the  
 10-53 Finance Commission of Texas.

10-54 SECTION 41. To the extent of any conflict, this Act prevails  
 10-55 over another Act of the 84th Legislature, Regular Session, 2015,  
 10-56 relating to nonsubstantive additions to and corrections in enacted  
 10-57 codes.

10-58 SECTION 42. This Act takes effect September 1, 2015.

10-59 \* \* \* \* \*