A BILL TO BE ENTITLED
AN ACT
relating to notice requirements for licensed lenders of deferred
presentment transactions and motor vehicle certificate of title
loans.

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

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

Sec. 342.606. NOTICE REQUIREMENTS. (a) In this section, the term "deferred presentment transaction," as defined by Section
341.001, is also referred to as a "payday loan."

(b) A lender that makes a deferred presentment transaction
shall prominently and conspicuously post at the lender's place of
business a sign that is at least 11 inches by 17 inches in size,
stating in letters at least one inch high: "YOU MAY REPORT ANY
CONCERNS OR COMPLAINTS ABOUT A PERSON THAT MAKES PAYDAY LOANS OR
AUTO TITLE LOANS TO THE OFFICE OF CONSUMER CREDIT COMMISSIONER BY
CALLING THE OFFICE'S CONSUMER ASSISTANCE HELP LINE AT
1-800-538-1579."

(c) The lender shall post the sign required by Subsection
(b) in:

(1) the general waiting area for borrowers at the
lender's place of business; or

(2) each room where the lender conducts business with
a borrower, if the lender's place of business does not have a
general waiting area.

(d) On the request of a customer, the lender shall provide the complaint information contained in the notice to the customer in writing.

SECTION 2. Chapter 342, Finance Code, is amended by adding Subchapter N to read as follows:

SUBCHAPTER N. MOTOR VEHICLE CERTIFICATE OF TITLE LOANS

Sec. 342.651. DEFINITIONS. In this subchapter:

(1) "Lender" means a lender licensed under this chapter.

(2) "Motor vehicle certificate of title loan" means a loan in which a motor vehicle certificate of title is given as security for a loan. The term is also referred to as an "auto title loan."

Sec. 342.652. INAPPLICABILITY OF SUBCHAPTER. This subchapter does not apply to a retail installment transaction under Chapter 348 or other loan made to finance the purchase of a motor vehicle.

Sec. 342.653. NOTICE REQUIREMENTS. (a) A lender that makes a motor vehicle certificate of title loan shall prominently and conspicuously post at the lender's place of business a sign that is at least 11 inches by 17 inches in size, stating in letters at least one inch high: "YOU MAY REPORT ANY CONCERNS OR COMPLAINTS ABOUT A PERSON THAT MAKES PAYDAY LOANS OR AUTO TITLE LOANS TO THE OFFICE OF CONSUMER CREDIT COMMISSIONER BY CALLING THE OFFICE'S CONSUMER ASSISTANCE HELP LINE AT 1-800-538-1579."

(b) The lender shall post the sign required by Subsection
(a) in:

(1) the general waiting area for borrowers at the lender's place of business; or

(2) in each room where the lender conducts business with a borrower, if the lender's place of business does not have a general waiting area.

(c) On the request of a customer, the lender shall provide the complaint information contained in the notice to the customer in writing.

SECTION 3. The heading to Subchapter B, Chapter 393, Finance Code, is amended to read as follows:

SUBCHAPTER B. REGISTRATION; [AND] DISCLOSURE STATEMENTS; NOTICES

SECTION 4. Subchapter B, Chapter 393, Finance Code, is amended by adding Section 393.107 to read as follows:

Sec. 393.107. NOTICE REQUIREMENTS. (a) In this section:

(1) "Deferred presentment transaction" has the meaning assigned by Section 341.001. The term is also referred to as a "payday loan."

(2) "Motor vehicle certificate of title loan" has the meaning assigned by Section 342.651. The term is also referred to as an "auto title loan."

(b) This section applies only to a credit services organization that obtains or otherwise assists in obtaining for consumers an extension of consumer credit in the form of a deferred presentment transaction or a motor vehicle certificate of title loan. This section does not apply to a retail installment transaction under Chapter 348 or other loan made to finance the

H.B. No. 3165

1 (a) in:
2
3 (1) the general waiting area for borrowers at the lender's place of business; or
4
5 (2) in each room where the lender conducts business with a borrower, if the lender's place of business does not have a general waiting area.
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8 (c) On the request of a customer, the lender shall provide the complaint information contained in the notice to the customer in writing.
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10 SECTION 3. The heading to Subchapter B, Chapter 393, Finance Code, is amended to read as follows:
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12 SUBCHAPTER B. REGISTRATION; [AND] DISCLOSURE STATEMENTS; NOTICES
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14 SECTION 4. Subchapter B, Chapter 393, Finance Code, is amended by adding Section 393.107 to read as follows:
15
16 Sec. 393.107. NOTICE REQUIREMENTS. (a) In this section:
17
18 (1) "Deferred presentment transaction" has the meaning assigned by Section 341.001. The term is also referred to as a "payday loan."
19
20 (2) "Motor vehicle certificate of title loan" has the meaning assigned by Section 342.651. The term is also referred to as an "auto title loan."
21
22 (b) This section applies only to a credit services organization that obtains or otherwise assists in obtaining for consumers an extension of consumer credit in the form of a deferred presentment transaction or a motor vehicle certificate of title loan. This section does not apply to a retail installment transaction under Chapter 348 or other loan made to finance the
purchase of a motor vehicle.

(c) A credit services organization shall prominently and conspicuously post at the organization's place of business a sign that is at least 11 inches by 17 inches in size, stating in letters at least one inch high: "YOU MAY REPORT ANY CONCERNS OR COMPLAINTS ABOUT A PERSON THAT OBTAINS OR ASSISTS IN OBTAINING PAYDAY LOANS OR AUTO TITLE LOANS TO THE OFFICE OF CONSUMER CREDIT COMMISSIONER BY CALLING THE OFFICE'S CONSUMER ASSISTANCE HELP LINE AT 1-800-538-1579."

(d) The credit services organization shall post the sign required by Subsection (c) in:

(1) the general waiting area for consumers at the organization's place of business; or

(2) in each room where the organization conducts business with a consumer, if the organization's place of business does not have a general waiting area.

(e) On the request of a consumer, a credit services organization shall provide the complaint information contained in the notice to the consumer in writing.

(f) The Finance Commission of Texas may adopt rules to implement this section.

SECTION 5. This Act takes effect September 1, 2011.