A BILL TO BE ENTITLED

AN ACT

relating to the partial repayment of certain extensions of consumer credit obtained for a consumer by a credit access business or that a credit access business assists the consumer in obtaining.

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

SECTION 1. Subchapter G, Chapter 393, Finance Code, is amended by adding Section 393.629 to read as follows:

Sec. 393.629. PARTIAL REPAYMENT OF PRINCIPAL BALANCE OF CERTAIN EXTENSIONS OF CONSUMER CREDIT. A credit access business may not obtain for a consumer or assist a consumer in obtaining an extension of consumer credit in the form of a deferred presentment transaction or motor vehicle title loan unless the loan contract provides that the lender must accept partial repayment of the principal balance of the loan from the consumer, with no additional fees or penalties, at any time during regular business hours.

SECTION 2. Section 393.629, Finance Code, as added by this Act, applies only to an extension of credit made on or after the effective date of this Act. An extension of credit made before the effective date of this Act is governed by the law in effect on the date the extension of credit was made, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2013.