A BILL TO BE ENTITLED
AN ACT
relating to authorized acquisition and delinquency charges for certain consumer loans.

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

SECTION 1. Section 342.252, Finance Code, is amended to read as follows:

Sec. 342.252. ALTERNATE INTEREST CHARGE. Instead of the charges authorized by Section 342.201, a loan contract may provide for:

(1) on a cash advance of less than $30, an acquisition charge that is not more than $1 for each $5 of the cash advance;

(2) on a cash advance equal to or more than $30 but not more than $100:

(A) an acquisition charge that is not more than the amount equal to one-tenth of the amount of the cash advance; and

(B) an installment account handling charge that is not more than:

(i) $3 a month if the cash advance is not more than $35;

(ii) $3.50 a month if the cash advance is more than $35 but not more than $70; or

(iii) $4 a month if the cash advance is more than $70; or

(3) on a cash advance of more than $100:
S.B. No. 823

(A) an acquisition charge that is not more than 10 percent of the amount of the cash advance [$10]; and

(B) an installment account handling charge that is not more than the ratio of $4 a month for each $100 of cash advance.

SECTION 2. Section 342.257, Finance Code, is amended to read as follows:

Sec. 342.257. DEFAULT CHARGE; DEFERMENT OF PAYMENT. The provisions of Subchapter E relating to additional interest for default and additional interest for the deferment of installments apply to a loan made under this subchapter. Provided, that on a loan contract in which the cash advance is $100 or more, instead of additional interest for default under Subchapter E, the contract may provide for a delinquency charge if any part of an installment remains unpaid after the 10th day after the date on which the installment is due, including Sundays and holidays. The delinquency charge on a loan with a cash advance of $100 or more may not exceed the greater of $20 [$10] or five cents for each $1 of the delinquent installment.

SECTION 3. Section 342.259(a), Finance Code, is amended to read as follows:

(a) Instead of the charges authorized by Sections 342.201 and 342.252, a loan made under this subchapter with a maximum cash advance computed under Subchapter C, Chapter 341, using a reference base amount that is more than $100 but not more than $200, may provide for:

(1) an acquisition charge that is not more than 10
percent of the amount of the cash advance [$10]; and
(2) an installment account handling charge that is not
more than the ratio of $4 a month for each $100 of cash advance.

SECTION 4. The changes in law made by this Act apply only to
a loan made on or after the effective date of this Act. A loan made
before the effective date of this Act is governed by the law in
effect on the date the loan was made, and the former law is
continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2013.