A BILL TO BE ENTITLED

AN ACT

relating to insufficient funds charges and check or debit authorization for a deferred presentment transaction.

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

SECTION 1. Subchapter G, Chapter 393, Finance Code, is amended by adding Section 393.631 to read as follows:

Sec. 393.631. INSUFFICIENT FUNDS CHARGE. (a) This section applies to the presentation for payment of a personal check or authorization to debit a deposit account exchanged for a cash advance under a deferred presentment transaction that was obtained for a consumer by a credit access business or that a credit access business assisted a consumer in obtaining.

(b) If there are insufficient funds in the account to pay the check or make the debit on the date the check or authorization to debit is presented in accordance with the terms of the deferred presentment transaction, the consumer may not be charged more than $25 in the aggregate, regardless of how many times presentation is made for payment on the account.

(c) A credit access business may not present a check or authorization to debit more than twice without written consent of the consumer.