A BILL TO BE ENTITLED
AN ACT
relating to extensions of consumer credit a credit services
organization obtains for a consumer or assists a consumer in
obtaining; providing a civil penalty.

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

SECTION 1. Section 393.001, Finance Code, is amended by
amending Subdivision (3) and adding Subdivisions (3-a) and (5) to
read as follows:

(3) "Credit services organization" means a person who
provides, or represents that the person can or will provide, for the
payment of valuable consideration any of the following services
with respect to the extension of consumer credit by others:

(A) improving a consumer's credit history or
rating;

(B) obtaining an extension of consumer credit for
a consumer in the form of a deferred presentment transaction or
motor vehicle title loan; or

(C) providing advice or assistance to a consumer
with regard to Paragraph (A) or (B).

(3-a) "Deferred presentment transaction" has the
meaning assigned by Section 341.001. For purposes of this chapter,
this definition does not preclude repayment in more than one
installment.

(5) "Motor vehicle title loan" means a loan in which an
unencumbered motor vehicle is given as security for the loan. The term does not include a retail installment transaction under Chapter 348 or another loan made to finance the purchase of a motor vehicle.

SECTION 2. Subchapter A, Chapter 393, Finance Code, is amended by adding Section 393.004 to read as follows:

Sec. 393.004. LIMITATION ON EXTENSIONS OF CONSUMER CREDIT AND REFINANCING. (a) A credit services organization may not obtain for a consumer or assist a consumer in obtaining an extension of consumer credit in any form other than in the form of a deferred presentment transaction that meets the requirements of Section 393.634 or 393.635, or a motor vehicle title loan that meets the requirements of Section 393.636 or 393.637.

(b) Any refinance of an extension of consumer credit in the form of a deferred presentment transaction or motor vehicle title loan that a credit services organization obtains for a consumer or assists a consumer in obtaining:

(1) must be authorized under Subchapter G;

(2) may not advance additional cash to the consumer; and

(3) must meet all the requirements under Subchapter G applicable to the original extension of consumer credit, except as specifically provided otherwise by an applicable provision of Subchapter G.

SECTION 3. Section 393.201(c), Finance Code, is amended to read as follows:

(c) A contract with a credit access business, as defined by
Section 393.601, for the performance of services described by Section 393.602(a) must, in addition to the requirements of Subsection (b) and Section 393.302:

(1) contain a statement that there is no prepayment penalty;

(2) contain a statement that a credit access business must comply with Chapter 392 and the federal Fair Debt Collection Practices Act (15 U.S.C. Section 1692 et seq.) with respect to an extension of consumer credit (described by Section 393.602(a));

(3) contain a statement that a person may not threaten or pursue criminal charges against a consumer related to a check or other debit authorization provided by the consumer as security for a transaction in the absence of forgery, fraud, theft, or other criminal conduct;

(4) contain a statement that a credit access business must comply, to the extent applicable, with 10 U.S.C. Section 987 and any regulations adopted under that law with respect to an extension of consumer credit (described by Section 393.602(a));

(5) disclose to the consumer:

(A) the lender from whom the extension of consumer credit is obtained;

(B) the interest paid or to be paid to the lender; and

(C) the specific fees that will be paid to the credit access business for the business's services; and

(6) contain the name and address of the Office of Consumer Credit Commissioner and the telephone number of the
SECTION 4. Section 393.203, Finance Code, is amended to read as follows:

Sec. 393.203. ISSUANCE OF CONTRACT AND OTHER DOCUMENTS.
(a) A credit services organization shall give to the consumer, when the document is signed, a copy of the completed contract and any other document the organization requires the consumer to sign.

(b) The documents provided by a credit access business, as defined by Section 393.221, to a consumer under this section must be written in English, and Spanish if requested by the consumer or if the transaction is being completed in Spanish. If the consumer cannot read, the documents must be read aloud to the consumer before the consumer signs the documents.

SECTION 5. Section 393.221, Finance Code, is amended to read as follows:

Sec. 393.221. DEFINITION [DEFINITIONS]. In this subchapter, "credit access business" [*

[1] "Credit access business" means a credit services organization that obtains for a consumer or assists a consumer in obtaining an extension of consumer credit [in the form of a deferred presentment transaction or a motor vehicle title loan].

[2] "Deferred presentment transaction" has the meaning assigned by Section 341.001. For purposes of this chapter, this definition does not preclude repayment in more than one installment. The term is also referred to as a payday loan.

[3] "Motor vehicle title loan" or "auto title loan" means a loan in which an unencumbered motor vehicle is given as
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security for the loan. The term does not include a retail
installment transaction under Chapter 348 or another loan made to
finance the purchase of a motor vehicle."

SECTION 6. Section 393.222, Finance Code, is amended by
adding Subsection (a-1) to read as follows:

(a-1) A credit access business shall post, in the same
manner as a notice required under Subsection (a), and provide as a
separate document to a consumer, a notice prescribed by the Finance
Commission of Texas regarding the availability of extended payment
plans that describes the parameters of the plans.

SECTION 7. Section 393.223(a), Finance Code, is amended to
read as follows:

(a) Before performing services described by Section 393.221
(393.221(1)), a credit access business must provide to a consumer a
disclosure adopted by rule of the Finance Commission of Texas [that
discloses the following] in a form prescribed by the commission,
and if requested by the consumer, a translation of the disclosure in
Spanish, that:

(1) discloses the interest, fees, and annual
percentage rates, as applicable, to be charged on a deferred
presentment transaction or on a motor vehicle title loan, as
applicable, in comparison to interest, fees, and annual percentage
rates to be charged on other alternative forms of consumer debt;

(2) discloses the amount of accumulated fees a
consumer would incur by renewing or refinancing a deferred
presentment transaction or motor vehicle title loan that remains
outstanding for a period of two weeks, one month, two months, and
three months; [and]

(3) provides information regarding the typical pattern of repayment of deferred presentment transactions and motor vehicle title loans; and

(4) references consumer credit counseling agencies that provide financial education and training or cash assistance to borrowers.

SECTION 8. Section 393.304, Finance Code, is amended to read as follows:

Sec. 393.304. FALSE OR MISLEADING REPRESENTATION OR STATEMENT. A credit services organization or a representative of the organization may not:

(1) make or use a false or misleading representation in the offer or sale of the services of the organization, including:

[(A)] guaranteeing to "erase bad credit" or words to that effect unless the representation clearly discloses this can be done only if the credit history is inaccurate or obsolete; and

[(B)] guaranteeing an extension of consumer credit regardless of the person's credit history unless the representation clearly discloses the eligibility requirements for obtaining the extension; or

(2) make, or advise a consumer to make, a statement relating to a consumer's credit worthiness, credit standing, or credit capacity that the person knows, or should know by the exercise of reasonable care, to be false or misleading to a:

[(A)] consumer reporting agency; or
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(B) person who has extended consumer credit to a consumer or to whom a consumer is applying for an extension of consumer credit.

SECTION 9. Subchapter D, Chapter 393, Finance Code, is amended by adding Section 393.308 to read as follows:

Sec. 393.308. PROHIBITION ON OBTAINING CERTAIN LOANS OR EXTENSIONS OF CREDIT. A credit services organization may not:

(1) obtain for a consumer or assist a consumer in obtaining a loan or other extension of credit that is not in the form of a deferred presentment transaction or motor vehicle title loan; or

(2) charge or receive from a consumer a fee or other valuable consideration in connection with a loan or other extension of credit that is not a deferred presentment transaction or motor vehicle title loan.

SECTION 10. Section 393.601(2), Finance Code, is amended to read as follows:

(2) "Credit access business" means a credit services organization that obtains for a consumer or assists a consumer in obtaining an extension of consumer credit [in the form of a deferred presentment transaction or a motor vehicle title loan].

SECTION 11. Section 393.602, Finance Code, is amended to read as follows:

Sec. 393.602. APPLICABILITY. (a) This subchapter applies only to a credit services organization that obtains for a consumer or assists a consumer in obtaining an extension of consumer credit [in the form of].
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[(1) a deferred presentment transaction; or
[(2) a motor vehicle title loan].

(b) A credit access business may assess fees as agreed to between the parties for its services performed to obtain an extension of consumer credit for a consumer or assist a consumer in obtaining an extension of consumer credit and for services described by Section 393.001(3)(A) or (C) [as agreed to between the parties]. A credit access business fee may be calculated daily, biweekly, monthly, or on another periodic basis. A credit access business is permitted to charge amounts allowed by other laws, as applicable. A fee may not be charged unless it is disclosed.

(c) A person may not use a device, subterfuge, or pretense to evade the application of this subchapter. [A lawful transaction governed under another statute, including Title 1, Business & Commerce Code, does not violate this subsection and may not be considered a device, subterfuge, or pretense to evade the application of this subchapter.]

SECTION 12. Section 393.604(a), Finance Code, is amended to read as follows:

(a) An application for a license under this subchapter must:

(1) be under oath;

(2) give the approximate location from which the business is to be conducted;

(3) identify the business's principal parties in interest;

(4) contain the name, physical address, and telephone number of all third-party lender organizations;
with which the business contracts to provide services described by Section 393.602(a); or
(B) from which the business arranges extensions of consumer credit [described by Section 393.602(a)]; and
(5) contain other relevant information that the commissioner requires for the findings required under Section 393.607.

SECTION 13. Sections 393.622(a) and (b), Finance Code, are amended to read as follows:

(a) The finance commission may:
   (1) adopt rules necessary to enforce and administer this subchapter;
   (2) adopt rules with respect to the quarterly reporting by a credit access business licensed under this subchapter of summary business information relating to extensions of consumer credit the business obtained for a consumer or assisted a consumer in obtaining [described by Section 393.602(a)]; and
   (3) adopt rules with respect to periodic examination by the office relating to extensions of consumer credit the business obtained for a consumer or assisted a consumer in obtaining [described by Section 393.602(a)], including rules related to charges for defraying the reasonable cost of conducting the examinations.

(b) The finance commission may adopt rules under this section to allow the commissioner to review, as part of a periodic examination, any relevant contracts between the credit access business and the third-party lender organizations with which the
credit access business contracts to provide services described by
Section 393.602(a) or from which the business arranges extensions
of consumer credit [described by Section 393.602(a)]. A contract
or information obtained by the commissioner under this section is
considered proprietary and confidential to the respective parties
to the contract, and is not subject to disclosure under Chapter 552,
Government Code.

SECTION 14. Section 393.625, Finance Code, is amended to
read as follows:
Sec. 393.625. MILITARY BORROWERS. (a) An extension of
consumer credit [described by Section 393.602(a)] that is obtained
by a credit access business for a member of the United States
military or a dependent of a member of the United States military or
that the business assisted that person in obtaining must comply
with 10 U.S.C. Section 987 and any regulations adopted under that
law, to the extent applicable.
(b) With respect to a consumer who is a "covered member" or a
"dependent" of a covered member, as those terms are defined by 10
U.S.C. Section 987, the term of an extension of consumer credit,
including all renewals and refinances, obtained for the consumer by
a credit access business or that a credit access business assists
the consumer in obtaining may not exceed 90 days.

SECTION 15. Section 393.626, Finance Code, is amended to
read as follows:
Sec. 393.626. DEBT COLLECTION PRACTICES. A violation of
Chapter 392 by a credit access business with respect to obtaining
for a consumer or assisting a consumer in obtaining an extension of
consumer credit [described by Section 393.602(a)] constitutes a violation of this subchapter.

SECTION 16. Section 393.627, Finance Code, is amended to read as follows:

Sec. 393.627. QUARTERLY REPORT TO COMMISSIONER. A credit access business shall file a quarterly report with the commissioner on a form prescribed by the commissioner that provides the following information relating to extensions of consumer credit [described by Section 393.602(a)] during the preceding quarter:

1. the number of consumers for whom the business obtained or assisted in obtaining [those] extensions of consumer credit;
2. the number of [those] extensions of consumer credit obtained by the business or that the business assisted consumers in obtaining;
3. the number of refinancing transactions of the extensions of consumer credit described by Subdivision (2);
4. the number of consumers refinancing the extensions of consumer credit described by Subdivision (2);
5. the number of consumers refinancing more than once the extensions of consumer credit described by Subdivision (2);
6. the average amount of the extensions of consumer credit described by Subdivision (2);
7. the total amount of fees charged by the business for the activities described by Subdivision (1);
8. the number of vehicles surrendered or repossessed under the terms of an extension of consumer credit in the form of a
motor vehicle title loan obtained by the business or that the business assisted a consumer in obtaining;

(9) the mean, median, and mode of the number of extensions of consumer credit obtained by consumers as a result of entering into the extensions of consumer credit described by Subdivision (2); and

(10) any related information the commissioner determines necessary.

SECTION 17. Subchapter G, Chapter 393, Finance Code, is amended by adding Sections 393.629, 393.630, 393.631, 393.632, 393.634, 393.635, 393.636, 393.637, 393.638 and 393.639 to read as follows:

Sec. 393.629. GENERAL LIMITATIONS ON EXTENSIONS OF CONSUMER CREDIT. (a) The term of an extension of consumer credit obtained for a consumer by a credit access business or that a credit access business assists a consumer in obtaining may not exceed 180 days.

(b) For purposes of this section, an extension of consumer credit that is made to a consumer on or before the seventh day after the date the consumer has paid a previous extension of consumer credit made by the same person is considered a refinance or renewal of the previous debt.

(c) Notwithstanding any other provision of law, the proceeds of the sale of a repossessed motor vehicle that secured an extension of consumer credit shall satisfy all outstanding and unpaid indebtedness under that extension of credit, and the consumer is not liable for any deficiency resulting from the sale unless the consumer has committed fraud in obtaining the extension
of consumer credit.

(d) Any fee charged to a consumer for the repossession of a motor vehicle given as security for an extension of consumer credit must be reasonable.

(e) With a consumer's written consent, a debt incurred under an extension of consumer credit that a credit access business obtained for the consumer or assisted the consumer in obtaining may be sold to another credit access business licensed under this subchapter. All transaction limits applicable to the debt before the sale apply to the debt after the debt is sold, except that the term of the extension of consumer credit may not exceed 180 days, beginning on the date the debt is sold. The sale of a debt under this subsection is considered to be a refinance of the debt for purposes of the applicable transaction limits.

(f) Before obtaining for a consumer or assisting a consumer in obtaining an extension of consumer credit, a credit access business shall consider the ability of the consumer to repay the debt within the term provided by law for the original extension of credit and any authorized renewal or refinance.

(g) 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.

Sec. 393.630. LIMITATION ON OUTSTANDING DEBT. (a) A
consumer may have only one outstanding debt from an extension of consumer credit that a credit access business obtained for the consumer or assisted the consumer in obtaining.

(b) To obtain an extension of consumer credit facilitated through the services of a credit access business, a consumer must sign a written certification stating that the consumer:

(1) at that time has no other outstanding debt from an extension of consumer credit that any credit access business obtained for the consumer or assisted the consumer in obtaining;

(2) has not owed a debt subject to an extended payment plan that a credit access business obtained for the consumer or assisted the consumer in obtaining during the preceding 14 days; and

(3) has not gone into default on a debt that a credit access business obtained for the consumer or assisted the consumer in obtaining during the preceding 30 days.

(c) For purposes of Subsection (b)(3), a consumer is not considered in default if the consumer made a payment on a debt on or before the 10th day after the date the payment was due.

(d) A credit access business shall in good faith verify that a consumer is not falsifying the certification required by Subsection (b), to the best knowledge and ability of the person acting on behalf of the credit access business for that transaction.

(e) A person acting on behalf of a credit access business has satisfied the requirement of Subsection (d) if the person considers all information that the consumer shares with the person
in negotiating the transaction and if the person makes a reasonable effort to verify the consumer's representations with any records that the credit access business typically consults in the normal course of its business.

(f) A consumer who falsifies statements contained in the certification violates this section.

(g) A credit access business or a consumer who violates this section is subject to a civil penalty in an amount not to exceed $1,000 for each violation.

(h) The finance commission shall adopt rules to implement this section.

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.

Sec. 393.632. EXCESS PROCEEDS FROM SALE OF REPOSSESSED
VEHICLE. 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 motor vehicle title loan unless the loan contract provides that if the vehicle securing the loan is repossessed and subsequently sold for a price that exceeds the amount that the consumer owes on the loan, the lender shall return to the consumer the excess amount.

Sec. 393.634. SINGLE-PAYMENT DEFERRED PRESENTMENT TRANSACTION. (a) The principal amount of a cash advance made under an extension of consumer credit in the form of a single-payment deferred presentment transaction that a credit access business obtains for a consumer or assists a consumer in obtaining may not exceed 20 percent of the consumer's gross monthly income.

(b) The term of an original or refinanced extension of consumer credit in the form of a single-payment deferred presentment transaction that a credit access business obtains for a consumer or assists a consumer in obtaining may not be less than 10 days.

(c) An extension of consumer credit in the form of a single-payment deferred presentment transaction that a credit access business obtains for a consumer or assists a consumer in obtaining may not be refinanced more than three times.

(d) If a consumer has refinanced a single-payment deferred presentment transaction described by Subsection (c) three times:

(1) the credit access business shall offer an extended payment plan to the consumer, unless the consumer has entered into two or more extended payment plans in the preceding 12 months; and
the consumer may request an extended payment plan
at any time on or after the date the consumer refines the
single-payment deferred presentment transaction for the third time
and on or before the date the deferred presentment transaction must
be repaid in full.

(e) The combined interest and fees for a deferred
presentment transaction may not exceed 15 percent of the amount
advanced.

(f) An extended payment plan authorized by Subsection (d)
must comply with Section 393.638.

Sec. 393.635. MULTIPLE-PAYMENT DEFERRED PRESENTMENT
TRANSACTION. (a) The sum of all scheduled payments due in a single
month under an extension of consumer credit in the form of a
multiple-payment deferred presentment transaction that a credit
access business obtains for a consumer or assists a consumer in
obtaining may not exceed:

(1) 15 percent of the consumer's gross monthly income,
if the consumer's annual income is not more than 125 percent of the
federal poverty level for a family of four; or

(2) 20 percent of the consumer's gross monthly income,
if the consumer is not described by Subdivision (1) and is not a
military borrower to whom a different limit applies under federal
law.

(b) An extension of consumer credit in the form of a
multiple-payment deferred presentment transaction that a credit
access business obtains for a consumer or assists a consumer in
obtaining may not be payable by the consumer in more than 12
installments, and the loan agreement must specify the number, date, and total amount due with regard to each installment.

(c) An extension of consumer credit in the form of a multiple-payment deferred presentment transaction that a credit access business obtains for a consumer or assists a consumer in obtaining must be payable on a fully amortizing, declining principal balance basis with substantially equal payments.

(d) The first installment of an extension of consumer credit in the form of a multiple-payment deferred presentment transaction that a credit access business obtains for a consumer or assists a consumer in obtaining may not be due before the 10th day after the date the consumer enters into the loan agreement. An installment may not be due before the 14th day or after the 31st day after the date a previous installment is due.

(e) An extension of consumer credit in the form of a multiple-payment deferred presentment transaction that a credit access business obtains for a consumer or assists a consumer in obtaining may not be refinanced.

Sec. 393.636. SINGLE-PAYMENT MOTOR VEHICLE TITLE LOAN. (a) The principal amount of a cash advance made under an extension of consumer credit in the form of a single-payment motor vehicle title loan that a credit access business obtains for a consumer or assists a consumer in obtaining may not exceed the lesser of:

(1) three percent of the consumer's gross annual income; or

(2) 70 percent of the retail value of the motor vehicle securing the debt.
(b) The term of an original or refinanced extension of consumer credit in the form of a single-payment motor vehicle title loan that a credit access business obtains for a consumer or assists a consumer in obtaining may not be less than 30 days.

(c) An extension of consumer credit in the form of a single-payment motor vehicle title loan that a credit access business obtains for a consumer or assists a consumer in obtaining may not be refinanced more than three times.

(d) Beginning with the first refinance and at each successive refinance after the first refinance, the minimum required payment or finance charge must reduce the principal balance by at least 10 percent of the original principal balance of the motor vehicle title loan.

(e) If a consumer has refinanced a single-payment motor vehicle title loan described by Subsection (c) three times:

(1) the credit access business must offer an extended payment plan to the consumer before initiating any activities to repossess the vehicle securing the debt; and

(2) the consumer may request an extended payment plan at any time on or after the date the consumer refinances the motor vehicle title loan for the third time and on or before the date the motor vehicle title loan must be repaid in full.

(f) A motor vehicle title loan may provide for a finance charge that does not exceed in the aggregate:

(1) 20 percent a month on the portion of the cash advance that does not exceed $700;

(2) 18 percent a month on the portion of the cash
advance that is greater than $700 but does not exceed $1,400; and

(3) 15 percent a month on the portion of the cash
advance that is greater than $1,400.

(g) An extended payment plan authorized by Subsection (d)
must comply with Section 393.638.

Sec. 393.637. MULTIPLE-PAYMENT MOTOR VEHICLE TITLE LOAN.
(a) The principal amount of a cash advance made under an extension
of consumer credit in the form of a multiple-payment motor vehicle
title loan that a credit access business obtains for a consumer or
assists a consumer in obtaining may not exceed 70 percent of the
retail value of the motor vehicle securing the debt.

(b) A scheduled payment under a contract for an extension of
consumer credit in the form of a multiple-payment motor vehicle
title loan that a credit access business obtains for a consumer or
assists a consumer in obtaining may not exceed:

(1) 15 percent of the consumer's gross monthly income,
if the consumer's annual income is not more than 125 percent of the
federal poverty level for a family of four; or

(2) 20 percent of the consumer's gross monthly income,
if the consumer is not described by Subdivision (1) and is not a
military borrower to whom a different limit applies under federal
law.

(c) An extension of consumer credit in the form of a
multiple-payment motor vehicle title loan that a credit access
business obtains for a consumer or assists a consumer in obtaining
must be payable on a fully amortizing, declining principal balance
basis with substantially equal payments.
(d) An extension of consumer credit in the form of a multiple-payment motor vehicle title loan that a credit access business obtains for a consumer or assists a consumer in obtaining may not be payable by the consumer in more than six installments, and the loan agreement must specify the number, date, and total amount due with regard to each installment.

(e) The first installment of an extension of consumer credit in the form of a multiple-payment motor vehicle title loan that a credit access business obtains for a consumer or assists a consumer in obtaining may not be due before the 10th day after the date the consumer enters into the loan agreement. A subsequent installment may not be due before the 30th day after the date the previous installment of the loan is due.

(f) An extension of consumer credit in the form of a multiple-payment motor vehicle title loan that a credit access business obtains for a consumer or assists a consumer in obtaining may not be refinanced.

(g) A credit access business may not initiate any activities to repossess the vehicle securing the debt under a multiple-payment motor vehicle title loan that a credit access business obtains for a consumer or assists a consumer in obtaining before offering the consumer an extended payment plan. An extended payment plan authorized by this subsection must comply with Section 393.638.

Sec. 393.638. EXTENDED PAYMENT PLAN REQUIREMENTS. (a) This section applies to extended payment plans permitted under Sections 393.634, 393.636, and 393.637.

(b) An extended payment plan must provide for payment in at
(1) four substantially equal installments, after which the outstanding balance will be paid in full, with respect to a single-payment deferred presentment transaction or single-payment motor vehicle title loan; or

(2) two additional substantially equal installments, after which the outstanding balance, including only the fees and interest that would have been due under the original extension of consumer credit, will be paid in full, with respect to a multiple-payment motor vehicle title loan.

(c) The period between installment payments on an extended payment plan may not be shorter than:

(1) the term of the original extension of credit, with respect to a single-payment deferred presentment transaction; or

(2) 30 days, with respect to a single-payment or multiple-payment motor vehicle title loan.

(d) The first payment owed under an extended payment plan may not be due before the 10th day after the date the consumer requests an extended payment plan.

(e) A credit access business may not assess additional fees or interest or assist a consumer in obtaining additional extensions of consumer credit if the consumer is paying an extension of credit under an extended payment plan.

(f) A consumer may pay in full a debt subject to an extended payment plan at any time without prepayment penalties.

(g) A person may not engage in debt collection or vehicle repossession activities for a debt subject to an extended payment plan.
plan if the consumer is in compliance with the extended payment plan.

Sec. 393.639. RULES. The finance commission may adopt any rules necessary to implement Sections 393.629, 393.630, 393.631, 393.632, 393.634, 393.635, 393.636, 393.637 and 393.638.

SECTION 18. Sections 393.601(3) and (5), Finance Code, are repealed.

SECTION 19. The consumer credit commissioner shall prepare and publish a report not later than December 1, 2014, regarding the need for comprehensive data reporting and the value and feasibility of a real-time statewide database system to provide data for policy development and to enhance the evaluation of a borrower's ability to repay a deferred presentment transaction or motor vehicle title loan. In reviewing the value and feasibility of a real-time statewide database system, as part of the study, the commissioner should consider the use of a database verification fee collected from the borrower to recover the actual costs of the system.

SECTION 20. The changes in law made by this Act apply 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 21. This Act takes effect September 1, 2013.