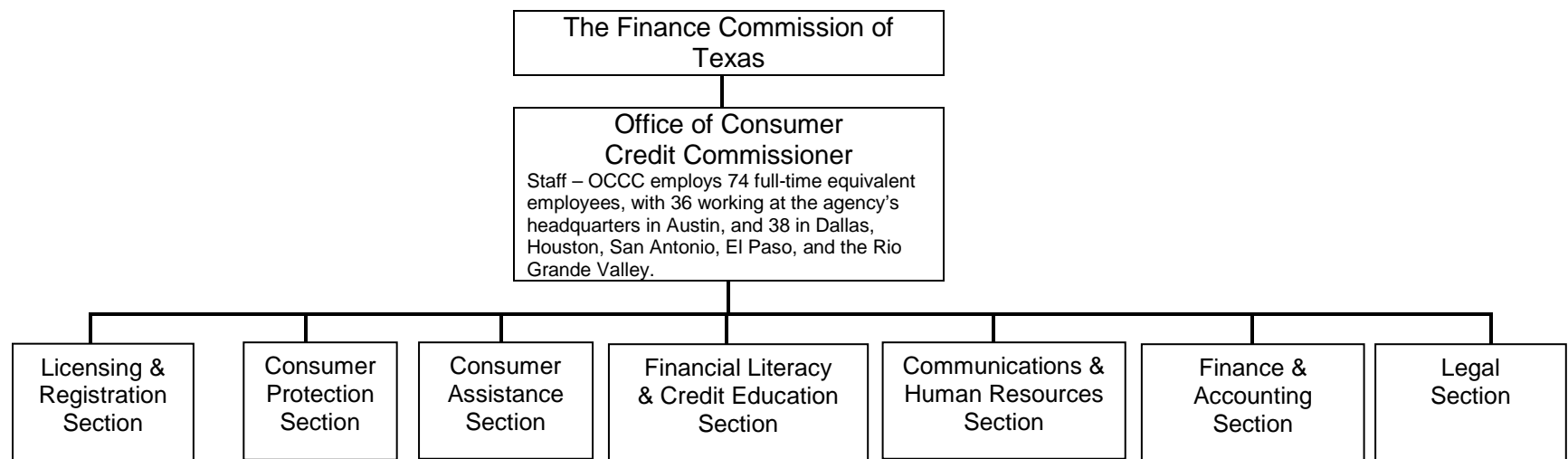


## MISSION:

The mission of the Office of Consumer Credit Commissioner (OCCC) is to regulate the credit industry and educate consumers and creditors, fostering a fair, lawful, and healthy credit environment for social and economic prosperity in Texas.



## PHILOSOPHY:

The Office of Consumer Credit Commissioner promotes the highest principles of professional conduct, ethics, and sensitivity to cultural diversity issues. The agency aims for high quality standards to:

**REGULATE** fairly, efficiently, and effectively, addressing both consumers and creditors by enforcing Texas credit laws and licensing qualified lenders;

**EDUCATE** consumers and credit providers of their rights, remedies, and responsibilities;

**COMMUNICATE** collaboratively with and encourage communication among the credit industry, consumer public, and the agency; and

**PROTECT** and safeguard consumers against abusive and deceptive lending practices.



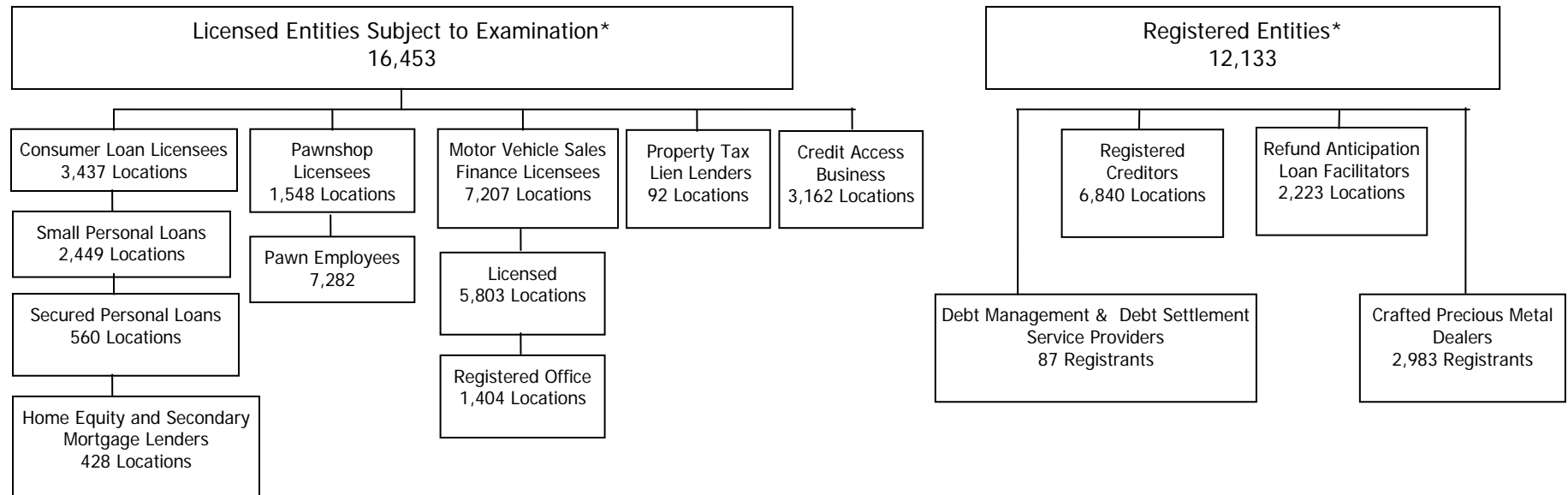
# OCCC

Office of Consumer  
Credit Commissioner

## LICENSING & REGISTRATION

### Regulatory Responsibility

OCCC licenses regulated lenders, property tax lien lenders, residential mortgage loan originators, motor vehicle sales finance companies, pawnshops, and pawnshop employees. OCCC also registers debt management service providers, refund anticipation loan facilitators, and creditors who finance the sales of their goods and services. In fiscal year 2012, the agency processed 237 regulated loan applications, 11 property tax lien lenders, 22 pawnshop applications, 2,330 pawnshop employee applications, 696 motor vehicle sales finance applications, and 3,054 credit access business applications.



• Data as of 10/31/2012

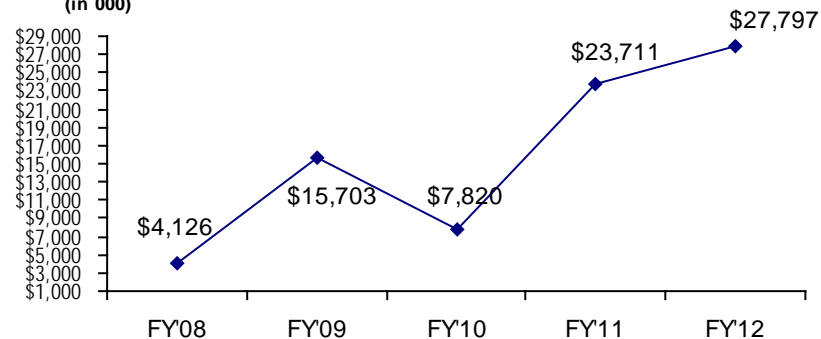
### Examination and Enforcement

OCCC examines licensed lenders and investigates creditors, licensees, and certain license applicants. Examinations focus on consumer protection and compliance with the Texas Finance Code. As of October 31, 2012, the agency regulated 16,453 licensed lending locations. Examinations generally take place every 18 to 60 months, depending upon the type of license. Motor vehicle sales finance licensees are currently expected to be examined on a 48 to 60 month cycle. In fiscal year 2012, the OCCC performed 3,538 examinations of business entities holding one of the regulated types of business licenses.

#### Key Performance Measure:

##### Monies Returned to Consumers from Licensed Lenders

(in 000)



Directed restitution to consumers and consumer complaint resolution are important enforcement tools for the OCCC. Over the past five fiscal years, a total of \$79,157,000 has been returned to Texans as a result of irregularities discovered during examinations and investigations.

### CONSTITUTIONAL PROVISION

The Legislature shall have authority to define interest and fix maximum rates of interest; provided, however, in the absence of legislation fixing maximum rates of interest all contracts for a greater rate of interest than ten per centum (10%) per annum shall be deemed usurious; provided, further that in contracts where no rate of interest is agreed upon, the rate shall not exceed six per centum (6%) per annum. TEX. CONST. ART. XVI. §11.

### INTERPRETIVE COMMENTARY

The ethical nature of the concept of usury renders it impossible to formulate permanent and definite criteria of what constitutes a usurious transaction. As long as freedom of contract remains the cornerstone of economic organization it is up to the Legislature to decide at what point a voluntary economic transaction constitutes an abuse of economic freedom and thus an act of usury.

### TRANSACTIONS DEFINED BY PURPOSE

**Consumer Transactions** = primarily for personal, family, or household use

**Commercial Transactions** = primarily for business, commercial, investment, agricultural, or other similar purpose

TEXAS FINANCE CODE - TITLE 4

**General Provisions, Interest, and  
Commercial Transactions**

SUBTITLE A - INTEREST

Chapter 301 - General Provisions  
Chapter 302 - Interest Rates  
Chapter 303 - Optional Interest Rate Ceilings  
Chapter 304 - Judgment Interest  
Chapter 305 - Penalties and Liabilities  
Chapter 306 - Commercial Transactions  
Chapter 307 - Collateral Protection Insurance  
Chapter 339 - Miscellaneous Provisions

**Consumer Transactions**

SUBTITLE B - LOANS AND FINANCE TRANSACTIONS

Chapter 342 - Consumer Loans  
    Subchapter E - Non-Real Property Loans  
    Subchapter F - Small Consumer Non-Real Property Loans  
    Subchapter G - Secondary Mortgage Loans  
Chapter 343 - Home Loans  
Chapter 345 - Retail Installment Sales  
Chapter 346 - Revolving Credit Accounts  
Chapter 347 - Manufactured Home Transactions  
Chapter 348 - Motor Vehicle Installment Sales  
Chapter 349 - Penalties  
Chapter 351 - Property Tax Lien Lenders  
Chapter 352 - Tax Refund Anticipation Loans  
Chapter 353 - Commercial Motor Vehicle Installment Sales  
Chapter 393 - Credit Service Organizations  
Chapter 394 - Debtor Assistance (Debt Management Service  
    Providers)

SUBTITLE C - PAWNSHOPS

Chapter 371 - Pawnshops