A BILL TO BE ENTITLED

AN ACT

relating to notice requirements for licensed lenders of deferred presentment transactions and motor vehicle certificate of title loans; adding a provision subject to a criminal penalty.

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

SECTION 1. Subchapter M, Chapter 342, Finance Code, is amended by adding Section 342.606 to read as follows:

Sec. 342.606. NOTICE REQUIREMENTS. (a) In this section, the term "deferred presentment transaction," as defined by Section 341.001, is also referred to as a "payday loan."

(b) A lender that makes a deferred presentment transaction shall prominently and conspicuously post at the lender's place of business a sign that is at least 11 inches by 17 inches in size, stating in letters at least one inch high: "YOU MAY REPORT ANY CONCERNS OR COMPLAINTS ABOUT A PERSON THAT MAKES PAYDAY LOANS OR AUTO TITLE LOANS TO THE OFFICE OF CONSUMER CREDIT COMMISSIONER BY CALLING THE OFFICE'S CONSUMER ASSISTANCE HELP LINE AT 1-800-538-1579."

(c) The lender shall post the sign required by Subsection (b) in:

(1) the general waiting area for borrowers at the lender's place of business; or

(2) each room where the lender conducts business with a borrower, if the lender's place of business does not have a
general waiting area.

(d) On the request of a customer, the lender shall provide
the complaint information contained in the notice to the customer
in writing.

SECTION 2. Chapter 342, Finance Code, is amended by adding
Subchapter N to read as follows:

SUBCHAPTER N. MOTOR VEHICLE CERTIFICATE OF TITLE LOANS

Sec. 342.651. DEFINITIONS. In this subchapter:

(1) "Lender" means a lender licensed under this
chapter.

(2) "Motor vehicle certificate of title loan" means a
loan in which a motor vehicle certificate of title is given as
security for a loan. The term is also referred to as an "auto title
loan."

Sec. 342.652. INAPPLICABILITY OF SUBCHAPTER. This
subchapter does not apply to a retail installment transaction under
Chapter 348 or other loan made to finance the purchase of a motor
vehicle.

Sec. 342.653. NOTICE REQUIREMENTS. (a) A lender that makes
a motor vehicle certificate of title loan shall prominently and
conspicuously post at the lender's place of business a sign that is
at least 11 inches by 17 inches in size, stating in letters at least
one inch high: "YOU MAY REPORT ANY CONCERNS OR COMPLAINTS ABOUT A
PERSON THAT MAKES PAYDAY LOANS OR AUTO TITLE LOANS TO THE OFFICE OF
CONSUMER CREDIT COMMISSIONER BY CALLING THE OFFICE'S CONSUMER
ASSISTANCE HELP LINE AT 1-800-538-1579."

(b) The lender shall post the sign required by Subsection
(a) in:

(1) the general waiting area for borrowers at the lender's place of business; or

(2) in each room where the lender conducts business with a borrower, if the lender's place of business does not have a general waiting area.

(c) On the request of a customer, the lender shall provide the complaint information contained in the notice to the customer in writing.

SECTION 3. The heading to Subchapter B, Chapter 393, Finance Code, is amended to read as follows:

SUBCHAPTER B. REGISTRATION; [AND] DISCLOSURE STATEMENTS; NOTICES

SECTION 4. Subchapter B, Chapter 393, Finance Code, is amended by adding Section 393.107 to read as follows:

Sec. 393.107. NOTICE REQUIREMENTS. (a) In this section:

(1) "Deferred presentment transaction" has the meaning assigned by Section 341.001. The term is also referred to as a "payday loan."

(2) "Motor vehicle certificate of title loan" has the meaning assigned by Section 342.651. The term is also referred to as an "auto title loan."

(b) This section applies only to a credit services organization that obtains or otherwise assists in obtaining for consumers an extension of consumer credit in the form of a deferred presentment transaction or a motor vehicle certificate of title loan. This section does not apply to a retail installment transaction under Chapter 348 or other loan made to finance the
purchase of a motor vehicle.

    (c) A credit services organization shall prominently and
    conspicuously post at the organization's place of business a sign
    that is at least 11 inches by 17 inches in size, stating in letters
    at least one inch high: "YOU MAY REPORT ANY CONCERNS OR COMPLAINTS
    ABOUT A PERSON THAT OBTAINS OR ASSISTS IN OBTAINING PAYDAY LOANS OR
    AUTO TITLE LOANS TO THE OFFICE OF CONSUMER CREDIT COMMISSIONER BY
    CALLING THE OFFICE'S CONSUMER ASSISTANCE HELP LINE AT
    1-800-538-1579."

    (d) The credit services organization shall post the sign
    required by Subsection (c) in:

    (1) the general waiting area for consumers at the
    organization's place of business; or

    (2) in each room where the organization conducts
    business with a consumer, if the organization's place of business
    does not have a general waiting area.

    (e) On the request of a consumer, a credit services
    organization shall provide the complaint information contained in
    the notice to the consumer in writing.

    (f) The Finance Commission of Texas may adopt rules to
    implement this section.

SECTION 5. This Act takes effect September 1, 2015.