

By: Craddick

H.B. No. 2019

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a limitation on the total charges in connection with
3 certain extensions of consumer credit facilitated by a credit
4 services organization.

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

6 SECTION 1. Subchapter D, Chapter 393, Finance Code, is
7 amended by adding Section 393.308 to read as follows:

8 Sec. 393.308. RESTRICTION ON AMOUNT CHARGED IN CONNECTION
9 WITH EXTENSION OF CONSUMER CREDIT. Total charges in connection
10 with an extension of consumer credit that a credit services
11 organization obtains for a consumer or assists the consumer in
12 obtaining, including interest, lender charges, and any valuable
13 consideration received by the credit services organization, may not
14 exceed the permissible interest and fee and other charges for a
15 similar type of consumer loan under Subchapter E or F, Chapter 342.

16 SECTION 2. Section 393.308, Finance Code, as added by this
17 Act, applies only to an agreement entered into or renewed on or
18 after September 1, 2013, providing for amounts to be charged in
19 connection with an extension of consumer credit. An agreement
20 described by this section that is entered into or renewed before
21 September 1, 2013, is governed by the law as it existed on the date
22 the agreement was entered into or renewed, and the former law is
23 continued in effect for that purpose.

24 SECTION 3. This Act takes effect September 1, 2013.