

By: Carona

S.B. No. 823

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to authorized acquisition and delinquency charges for  
3 certain consumer loans.

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

5 SECTION 1. Section 342.252, Finance Code, is amended to  
6 read as follows:

7 Sec. 342.252. ALTERNATE INTEREST CHARGE. Instead of the  
8 charges authorized by Section 342.201, a loan contract may provide  
9 for:

10 (1) on a cash advance of less than \$30, an acquisition  
11 charge that is not more than \$1 for each \$5 of the cash advance;

12 (2) on a cash advance equal to or more than \$30 but not  
13 more than \$100:

14 (A) an acquisition charge that is not more than  
15 the amount equal to one-tenth of the amount of the cash advance; and

16 (B) an installment account handling charge that  
17 is not more than:

18 (i) \$3 a month if the cash advance is not  
19 more than \$35;

20 (ii) \$3.50 a month if the cash advance is  
21 more than \$35 but not more than \$70; or

22 (iii) \$4 a month if the cash advance is more  
23 than \$70; or

24 (3) on a cash advance of more than \$100:

1 (A) an acquisition charge that is not more than  
2 10 percent of the amount of the cash advance [~~\$10~~]; and

3 (B) an installment account handling charge that  
4 is not more than the ratio of \$4 a month for each \$100 of cash  
5 advance.

6 SECTION 2. Section 342.257, Finance Code, is amended to  
7 read as follows:

8 Sec. 342.257. DEFAULT CHARGE; DEFERMENT OF PAYMENT. The  
9 provisions of Subchapter E relating to additional interest for  
10 default and additional interest for the deferment of installments  
11 apply to a loan made under this subchapter. Provided, that on a  
12 loan contract in which the cash advance is \$100 or more, instead of  
13 additional interest for default under Subchapter E, the contract  
14 may provide for a delinquency charge if any part of an installment  
15 remains unpaid after the 10th day after the date on which the  
16 installment is due, including Sundays and holidays. The  
17 delinquency charge on a loan with a cash advance of \$100 or more may  
18 not exceed the greater of \$20 [~~\$10~~] or five cents for each \$1 of the  
19 delinquent installment.

20 SECTION 3. Section 342.259(a), Finance Code, is amended to  
21 read as follows:

22 (a) Instead of the charges authorized by Sections 342.201  
23 and 342.252, a loan made under this subchapter with a maximum cash  
24 advance computed under Subchapter C, Chapter 341, using a reference  
25 base amount that is more than \$100 but not more than \$200, may  
26 provide for:

27 (1) an acquisition charge that is not more than 10

1 percent of the amount of the cash advance [~~\$10~~]; and

2 (2) an installment account handling charge that is not  
3 more than the ratio of \$4 a month for each \$100 of cash advance.

4 SECTION 4. The changes in law made by this Act apply only to  
5 a loan made on or after the effective date of this Act. A loan made  
6 before the effective date of this Act is governed by the law in  
7 effect on the date the loan was made, and the former law is  
8 continued in effect for that purpose.

9 SECTION 5. This Act takes effect September 1, 2013.