

By: Eltife

S.B. No. 1282

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of consumer credit transactions and the regulatory authority of the Office of Consumer Credit Commissioner.

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

SECTION 1. Section 14.2015, Finance Code, is amended to read as follows:

Sec. 14.2015. CONFIDENTIALITY OF CERTAIN INFORMATION.

(a) Except as provided by Subsection (b), information or material obtained or compiled by the commissioner in relation to an examination or investigation by the commissioner or the commissioner's representative of a license holder, registrant, applicant, or other person under a provision listed in Section 14.201 ~~[Section 339.001, Subtitle B or C, Title 4, Subchapter C of Chapter 393, or Chapter 394]~~ is confidential and may not be disclosed by the commissioner or an officer or employee of the Office of Consumer Credit Commissioner, including:

(1) information obtained from the ~~[a]~~ license holder, registrant, applicant, or other person examined or investigated ~~[under Section 339.001, Subtitle B or C, Title 4, Subchapter C of Chapter 393, or Chapter 394];~~

(2) work performed by the commissioner or the commissioner's representative on information obtained from the ~~[a]~~ license holder, registrant, applicant, or other person for the purposes of an examination or investigation ~~[conducted under~~

1 ~~Section 339.001, Subtitle B or C, Title 4, Chapter 393 with~~  
2 ~~respect to a credit access business, or Chapter 394];~~

3 (3) a report on an examination or investigation of the  
4 ~~[a]~~ license holder, registrant, applicant, or other person  
5 ~~[conducted under Section 339.001, Subtitle B or C, Title 4, Chapter~~  
6 ~~393 with respect to a credit access business, or Chapter 394];~~ and

7 (4) any written communications between the license  
8 holder, registrant, applicant, or other person, as applicable, and  
9 the commissioner or the commissioner's representative relating to  
10 or referencing the ~~[an]~~ examination or investigation ~~[conducted~~  
11 ~~under Section 339.001, Subtitle B or C, Title 4, Chapter 393 with~~  
12 ~~respect to a credit access business, or Chapter 394].~~

13 (b) The commissioner or the commissioner's representative  
14 may disclose the confidential information or material described by  
15 Subsection (a):

16 (1) to a department, agency, or instrumentality of  
17 this state or the United States if the commissioner considers  
18 disclosure to be necessary or proper to the enforcement of the laws  
19 of this state or the United States and in the best interest of the  
20 public;

21 (2) if the information was provided to or provided by  
22 the license holder, registrant, applicant, or other person, and the  
23 person consents to the release of the information or has published  
24 the information contained in the release; or

25 (3) if the commissioner determines that release of the  
26 information is required for an administrative hearing.

27 SECTION 2. Section 14.253, Finance Code, is amended to read

1 as follows:

2       Sec. 14.253. REPORT ON VIOLATION. If the commissioner  
3 determines that a violation occurred, the commissioner may issue a  
4 report that states:

5               (1) the facts on which the determination is based; and

6               (2) the commissioner's recommendation on imposition of  
7 a penalty, restitution, or both, including a recommendation on the  
8 amount of the penalty or restitution.

9       SECTION 3. Section 14.254(b), Finance Code, is amended to  
10 read as follows:

11       (b) The notice must:

12               (1) include a brief summary of the alleged violation;

13               (2) include a statement of the amount of the  
14 recommended penalty or restitution; and

15               (3) inform the person that the person has a right to a  
16 hearing on the occurrence of the violation, the amount of the  
17 penalty or restitution, or both.

18       SECTION 4. Sections 14.255 and 14.256, Finance Code, are  
19 amended to read as follows:

20       Sec. 14.255. RESPONSE OF PERSON RECEIVING NOTICE. Not  
21 later than the 20th day after the date on which a person receives  
22 notice under Section 14.254, the person may:

23               (1) accept in writing the determination and  
24 recommended penalty or restitution of the commissioner; or

25               (2) make a written request for a hearing on the  
26 occurrence of the violation, the amount of the penalty or  
27 restitution, or both.

1           Sec. 14.256. ACCEPTANCE OF PENALTY OR RESTITUTION; DEFAULT.

2   If a person accepts the determination and recommended penalty or  
3   restitution of the commissioner or fails to make a timely written  
4   request for a hearing, the commissioner by order shall approve the  
5   determination and impose the recommended penalty, restitution, or  
6   both.

7           SECTION 5. The heading to Section 14.257, Finance Code, is  
8   amended to read as follows:

9           Sec. 14.257. HEARING ON PENALTY OR RESTITUTION; ORDER.

10          SECTION 6. Sections 14.257(a), (b), and (c), Finance Code,  
11   are amended to read as follows:

12          (a) If a person makes a timely written request for  
13   ~~[requests]~~ a hearing ~~[or fails to give a timely response to the~~  
14   ~~notice]~~, the commissioner shall set a hearing and give notice of the  
15   hearing to the person by certified mail.

16          (b) The hearing shall be held by a hearings officer who  
17   shall make findings of fact and conclusions of law and promptly  
18   issue a proposal for a decision about the occurrence of the  
19   violation and the amount of the ~~[a]~~ proposed penalty or  
20   restitution.

21          (c) According to the findings of fact, conclusions of law,  
22   and proposal for a decision, the commissioner by order may find:

23                  (1) that a violation has occurred and impose a  
24   penalty, restitution, or both; or

25                  (2) a violation has not occurred.

26          SECTION 7. The heading to Section 14.258, Finance Code, is  
27   amended to read as follows:

1           Sec. 14.258. STAY OF PENALTY OR RESTITUTION; SUIT BY  
2 ATTORNEY GENERAL.

3           SECTION 8. Sections 14.258(a), (b), (c), and (d), Finance  
4 Code, are amended to read as follows:

5           (a) The enforcement of the penalty or restitution may be  
6 stayed during the time the order is under judicial review if the  
7 person pays the penalty or restitution to the clerk of the court or  
8 files a supersedeas bond with the court in the amount of the penalty  
9 or restitution. A person who cannot afford to pay the penalty or  
10 restitution or file the bond may stay the enforcement by filing an  
11 affidavit in the manner required by the Texas Rules of Civil  
12 Procedure for a party who cannot afford to file security for costs,  
13 subject to the right of the commissioner to contest the affidavit as  
14 provided by those rules.

15           (b) The attorney general may sue to collect the penalty or  
16 to enforce an order of restitution.

17           (c) A court that sustains the occurrence of a violation may  
18 uphold or reduce the amount of the administrative penalty or  
19 restitution and order the person to pay that amount.

20           (d) A court that does not sustain the occurrence of a  
21 violation shall order that no penalty or restitution is owed.

22           SECTION 9. Section 180.002(5), Finance Code, is amended to  
23 read as follows:

24           (5) "Dwelling" has the meaning assigned by Section  
25 103(w) [~~103(v)~~] of the Truth in Lending Act (15 U.S.C. Section  
26 1602(w) [~~1602(v)~~]).

27           SECTION 10. Section 303.015(c), Finance Code, is amended to

1 read as follows:

2 (c) A variable rate agreement for credit extended primarily  
3 for personal, family, or household use must include the disclosures  
4 identified for variable rate contracts required by regulations  
5 issued by the Federal Reserve Board and the Bureau of Consumer  
6 Financial Protection under the Truth in Lending Act (15 U.S.C.  
7 Section 1601 et seq.), as amended, except that if that Act does not  
8 apply because of the amount of the transaction, the following  
9 disclosure must be included in a size equal to at least 10-point  
10 type that is boldface, capitalized, underlined, or otherwise set  
11 out from surrounding material so as to be conspicuous:

12 "NOTICE TO CONSUMER: UNDER TEXAS LAW, IF YOU CONSENT TO THIS  
13 AGREEMENT, YOU MAY BE SUBJECT TO A FUTURE RATE AS HIGH AS 24 PERCENT  
14 PER YEAR."

15 SECTION 11. Section 303.402(a), Finance Code, is amended to  
16 read as follows:

17 (a) A person who contracts for, charges, or receives under a  
18 contract subject to Chapter 342, 345, 346, 347, 348, or 353,  
19 including a contract for an open-end account, interest ~~[a rate]~~ or  
20 ~~[amount of]~~ time price differential that exceeds the maximum  
21 applicable ~~[rate or]~~ amount authorized by the applicable chapter or  
22 this chapter is subject to a penalty for that violation determined  
23 under Chapter 349.

24 SECTION 12. Sections 308.002(c) and (e), Finance Code, are  
25 amended to read as follows:

26 (c) In interpreting this section, an administrative agency  
27 or a court shall be guided by the applicable advertising provisions

1 of:

2 (1) Part C of the Truth in Lending Act [~~15 U.S.C.~~  
3 ~~Chapter 41, Subchapter I~~] (15 U.S.C. Section 1661 [~~1601~~] et seq.);

4 (2) Regulation Z (12 C.F.R. Parts 226 and 1026) [~~12~~  
5 ~~C.F.R. Part 226~~] adopted by the Board of Governors of the Federal  
6 Reserve System and the Bureau of Consumer Financial Protection; and

7 (3) the Official Staff Commentary and other  
8 interpretations of that statute and regulation by the Board of  
9 Governors of the Federal Reserve System, the Bureau of Consumer  
10 Financial Protection, and the staff of those agencies [~~its staff~~].

11 (e) A creditor who complies with the Truth in Lending Act  
12 (15 U.S.C. Section 1601 et seq.) and [~~Federal Reserve~~] Regulation Z  
13 (12 C.F.R. Parts [~~Part~~] 226 and 1026) in advertising a credit  
14 transaction is considered to have fully complied with this section.

15 SECTION 13. Section 341.301(a), Finance Code, is amended to  
16 read as follows:

17 (a) In each advertisement that purports to offer credit  
18 regulated by this subtitle, Subtitle C, or Chapter 394, the  
19 advertiser shall disclose the legal or registered name of the  
20 advertiser and:

21 (1) shall disclose the street address of the  
22 advertiser's place of business unless the advertisement:

23 (A) is located on the premises of the  
24 advertiser's place of business; or

25 (B) is broadcast by radio or television; or

26 (2) if the advertisement is broadcast by radio or  
27 television, shall:

(A) disclose the telephone number of the advertiser; and

(B) comply with the applicable disclosure requirements of Regulation Z (12 C.F.R. Parts 226 and 1026) [~~12 C.F.R. Section 226.1 et seq. (Regulation Z)~~].

SECTION 14. Section 341.401(b), Finance Code, is amended to read as follows:

(b) In interpreting this section, a court or administrative agency shall be guided by the Equal Credit Opportunity Act (15 U.S.C. Section 1691 et seq.) and regulations under and interpretations of that Act by the Federal Reserve Board and the Bureau of Consumer Financial Protection to the extent that Act and those regulations and interpretations can be made applicable to conduct prohibited by this section.

SECTION 15. Section 341.402(b), Finance Code, is amended to read as follows:

(b) The liability of a person under this section is instead of and not in addition to that person's liability under the Equal Credit Opportunity [~~Title VII of the Consumer Credit Protection~~] Act (15 U.S.C. Section 1691 et seq.). If the same act or omission violates Section 341.401 and applicable federal law, the person aggrieved by that conduct may bring a legal action to recover monetary damages either under this section or under that federal law, but not both.

SECTION 16. Section 341.502(a-1), Finance Code, is amended to read as follows:

(a-1) If the terms of the agreement for a loan under



1 Subsection (a) were negotiated in Spanish, a copy of a summary of  
2 those terms and other pertinent information shall be provided to  
3 the debtor in Spanish in a form identical to disclosures required  
4 for a closed-end transaction under 12 C.F.R. Sections [~~Section~~]  
5 226.18 and 1026.18.

6 SECTION 17. Section 342.156, Finance Code, is amended to  
7 read as follows:

8 Sec. 342.156. LICENSE SUSPENSION OR REVOCATION. After  
9 notice and an opportunity for a hearing the commissioner may  
10 suspend or revoke a license if the commissioner finds that:

11 (1) the license holder failed to pay the annual  
12 license fee, an examination fee, an investigation fee, or another  
13 charge imposed by the commissioner under this chapter;

14 (2) the license holder, knowingly or without the  
15 exercise of due care, violated this chapter or a rule adopted or  
16 order issued under this chapter;

17 (3) a fact or condition exists that, if it had existed  
18 or had been known to exist at the time of the original application  
19 for the license, clearly would have justified the commissioner's  
20 denial of the application; or

21 (4) the license holder has failed to ensure that an  
22 individual acting as a residential mortgage loan originator, as  
23 defined by Section 180.002, in the making, transacting, or  
24 negotiating of a loan subject to this chapter is licensed under this  
25 chapter in accordance with Section 342.0515.

26 SECTION 18. Section 342.201, Finance Code, is amended by  
27 adding Subsection (e-1) to read as follows:

1       (e-1) The interest charge under Subsection (e) must be  
2 contracted for, charged, or received using the scheduled  
3 installment earnings method or the true daily earnings method under  
4 one of the following methods:

5           (1) applying the applicable daily rate to each part of  
6 the unpaid principal balance corresponding to the brackets  
7 described by Subsection (e) for the actual or scheduled number of  
8 days during a payment period; or

9           (2) applying a single equivalent daily rate to the  
10 unpaid principal balance for the actual or scheduled number of days  
11 during a payment period, where the single equivalent daily rate is  
12 determined at the inception of the loan using the scheduled  
13 installment earnings method, and would earn an amount of interest  
14 authorized under Subsection (e) if the debt were paid to maturity  
15 according to the schedule of payments.

16       SECTION 19. Section 343.201, Finance Code, is amended to  
17 read as follows:

18       Sec. 343.201. DEFINITIONS. In this subchapter:

19           (1) "High-cost home loan" means a loan that:

20                   (A) is made to one or more individuals for  
21 personal, family, or household purposes;

22                   (B) is secured in whole or part by:

23                           (i) a manufactured home, as defined by  
24 Section 347.002, used or to be used as the borrower's principal  
25 residence; or

26                           (ii) real property improved by a dwelling  
27 designed for occupancy by four or fewer families and used or to be

used as the borrower's principal residence;

(C) has a principal amount equal to or less than one-half of the maximum conventional loan amount for first mortgages as established and adjusted by the Federal National Mortgage Association;

(D) is not:

(i) a reverse mortgage; or

(ii) an open-end account, as defined by Section 301.002; and

(E) is a credit transaction described by 12 C.F.R. Section 1026.32 [~~226.32~~], as amended, except that the term includes a residential mortgage transaction, as defined by 12 C.F.R. Section 1026.2 [~~226.2~~], as amended, if the total loan amount is \$20,000 or more and:

(i) the annual percentage rate exceeds the rate indicated in 12 C.F.R. Section 1026.32(a)(1)(i) [~~226.32(a)(1)(i)~~], as amended; or

(ii) the total points and fees payable by the consumer at or before loan closing will exceed the amount indicated in 12 C.F.R. Section 1026.32(a)(1)(ii) [~~226.32(a)(1)(ii)~~], as amended.

(2) "Points and fees" has the meaning assigned by 12 C.F.R. Section 1026.32(b) [~~226.32(b)~~], as amended.

SECTION 20. Section 345.106, Finance Code, is amended to read as follows:

Sec. 345.106. PROCESSING FEE FOR RETURNED CHECK. A retail charge agreement may provide that the holder of the agreement may:

1           (1) charge the retail buyer, on return of a dishonored  
2 check given in payment under the agreement, a reasonable processing  
3 fee that does not exceed the amount prescribed by Section 3.506,  
4 Business & Commerce Code ~~[is not more than \$15]~~; and

5           (2) add the fee to the unpaid balance under the  
6 agreement.

7           SECTION 21. Section 347.002(b), Finance Code, is amended to  
8 read as follows:

9           (b) To the extent possible, a word or phrase used in this  
10 chapter, other than a term defined by this section, has the meaning  
11 assigned by the Truth in Lending ~~[Part I, Consumer Credit~~  
12 ~~Protection]~~ Act (15 U.S.C. Section 1601 et seq.) and its subsequent  
13 amendments, as implemented by Regulation Z (12 C.F.R. Part 1026)  
14 ~~[12 C.F.R. 226.1 et seq.]~~.

15          SECTION 22. Section 347.004(a), Finance Code, is amended to  
16 read as follows:

17          (a) A creditor shall comply with all applicable  
18 requirements, including required disclosures, under the Truth in  
19 Lending ~~[Part I, Consumer Credit Protection]~~ Act (15 U.S.C. Section  
20 1601 et seq.) and its subsequent amendments, as implemented by  
21 Regulation Z (12 C.F.R. Part 1026) ~~[12 C.F.R. 226.1 et seq.~~  
22 ~~(Regulation Z)]~~ adopted under that Act.

23          SECTION 23. Section 347.155(b), Finance Code, is amended to  
24 read as follows:

25          (b) On prepayment, after deduction of an acquisition charge  
26 that does not exceed \$50, the consumer is entitled to a refund  
27 credit of the time price differential or interest. The amount of

the credit is computed on an actuarial basis in accordance with regulations of the Office of Thrift Supervision or the Office of the Comptroller of the Currency adopted under the Depository Institutions Deregulation and Monetary Control Act of 1980 (12 U.S.C. Section 4a et seq.) for the prepayment of a mortgage loan that is secured by a first lien on a residential manufactured home.

SECTION 24. Section 348.005, Finance Code, as amended by Chapters 355 (H.B. 2462), 1135 (H.B. 2741), and 1287 (H.B. 2202), Acts of the 83rd Legislature, Regular Session, 2013, is reenacted and amended to read as follows:

Sec. 348.005. ITEMIZED CHARGE. An amount in a retail installment contract is an itemized charge if the amount is not included in the cash price and is the amount of:

- (1) the price of accessories;
- (1-a) the price of services related to the sale;
- (1-b) fees for registration, certificate of title, and license and any additional registration fees charged by a deputy as authorized by rules adopted under Section 520.0071 [520.008], Transportation Code;
- (2) any taxes;
- (3) fees or charges prescribed by law and connected with the sale or inspection of the motor vehicle; and
- (4) charges authorized for insurance, service contracts, warranties, automobile club memberships, or a debt cancellation agreement by this chapter [~~Subchapter C~~].

SECTION 25. Section 348.009(a), Finance Code, is amended to read as follows:

(a) The disclosure requirements of Regulation Z (12 C.F.R. Parts 226 and 1026) [~~12 C.F.R. Part 226 (Regulation Z)~~] adopted under the Truth in Lending Act (15 U.S.C. Section 1601 et seq.) and specifically 12 C.F.R. Sections [~~Section~~] 226.18(f) and 1026.18(f), regarding variable rate disclosures, apply according to their terms to retail installment transactions.

SECTION 26. Section 348.208(b), Finance Code, is amended to read as follows:

(b) A retail installment contract may include as a separate charge an amount for:

(1) motor vehicle property damage or bodily injury liability insurance;

(2) mechanical breakdown insurance;

(3) participation in a [~~motor~~] vehicle [~~theft~~] protection product warranty authorized under Chapter 2306, Occupations Code [~~plan~~];

(4) insurance to reimburse the retail buyer for the amount computed by subtracting the proceeds of the buyer's basic collision policy on the motor vehicle from the amount owed on the vehicle if the vehicle has been rendered a total loss;

(5) a warranty or service contract relating to the motor vehicle;

(6) an identity recovery service contract; or

(7) a debt cancellation agreement if the agreement is included as a term of a retail installment contract under Section 348.124.

SECTION 27. Section 348.404(d), Finance Code, is amended to

1 read as follows:

2 (d) A retail seller may include money advanced under  
3 Subsection (b) in the retail installment contract only if it is  
4 included as an itemized charge and may disclose money advanced  
5 under Subsection (b) in any manner permitted by Regulation Z (12  
6 C.F.R. Parts 226 and 1026) [~~12 C.F.R. Part 226 (Regulation Z)~~]  
7 adopted under the Truth in Lending Act (15 U.S.C. Section 1601 et  
8 seq.). Section 349.003 does not apply to this subsection. This  
9 subsection does not create a private right of action. The  
10 commissioner has exclusive jurisdiction to enforce this  
11 subsection.

12 SECTION 28. Section 348.508, Finance Code, is amended to  
13 read as follows:

14 Sec. 348.508. LICENSE SUSPENSION OR REVOCATION. After  
15 notice and an opportunity for a hearing the commissioner may  
16 suspend or revoke a license if the commissioner finds that:

17 (1) the license holder failed to pay the annual  
18 license fee, an examination fee, an investigation fee, or another  
19 charge imposed by the commissioner;

20 (2) the license holder, knowingly or without the  
21 exercise of due care, violated this chapter or a rule adopted or  
22 order issued under this chapter; or

23 (3) a fact or condition exists that, if it had existed  
24 or had been known to exist at the time of the original application  
25 for the license, clearly would have justified the commissioner's  
26 denial of the application.

27 SECTION 29. Section 351.0022, Finance Code, is amended to

read as follows:

Sec. 351.0022. WAIVER PROHIBITED. Except as specifically permitted by this chapter or Chapter 32, Tax Code, a property owner may not waive or limit a requirement imposed on a property tax lender by this chapter or Chapter 32, Tax Code.

SECTION 30. Subchapter A, Chapter 351, Finance Code, is amended by adding Section 351.0081 to read as follows:

Sec. 351.0081. LENDER'S RECORDS; DOCUMENT RETENTION REQUIREMENTS. (a) A property tax lender shall maintain a record of each property tax loan made under this chapter as necessary to enable the commissioner to determine whether the lender is complying with this chapter.

(b) A property tax lender shall keep the record until the later of:

(1) the fourth anniversary of the date of the property tax loan; or

(2) the second anniversary of the date on which the final entry is made in the record.

(c) A record described by Subsection (a) must be prepared in accordance with accepted accounting practices.

(d) The commissioner shall accept a lender's system of records if the system discloses the information reasonably required under Subsection (a).

(e) A property tax lender shall keep each obligation signed by a property owner at an office in this state designated by the lender unless the obligation is transferred under an agreement that gives the commissioner access to the obligation.



SECTION 31. Section 351.156, Finance Code, is amended to read as follows:

Sec. 351.156. LICENSE SUSPENSION OR REVOCATION. After notice and an opportunity for a hearing the commissioner may suspend or revoke a license if the commissioner finds that:

(1) the license holder failed to pay the annual license fee, an examination fee, an investigation fee, or another charge imposed by the commissioner under this chapter;

(2) the license holder, knowingly or without the exercise of due care, violated this chapter or Section 32.06 or 32.065, Tax Code, or a rule adopted or an order issued under this chapter or Section 32.06 or 32.065, Tax Code;

(3) a fact or condition exists that, if it had existed or had been known to exist at the time of the original application for the license, clearly would have justified the commissioner's denial of the application; or

(4) the license holder has failed to ensure that an individual acting as a residential mortgage loan originator, as defined by Section 180.002, in the making, transacting, or negotiating of a property tax loan for a principal dwelling is licensed under this chapter in accordance with Section 351.0515.

SECTION 32. Section 352.006(b), Finance Code, is amended to read as follows:

(b) If the commissioner proposes to revoke a registration, the facilitator is entitled to notice and an opportunity for a hearing before the commissioner or a hearings officer, who shall propose a decision to the commissioner. The commissioner or

1 hearings officer shall prescribe the time and place of the hearing  
2 if the facilitator makes a written request for a hearing not later  
3 than the 20th day after the date the facilitator receives the notice  
4 of hearing. The hearing is governed by Chapter 2001, Government  
5 Code.

6 SECTION 33. Section 353.508, Finance Code, is amended to  
7 read as follows:

8 Sec. 353.508. LICENSE SUSPENSION OR REVOCATION. After  
9 notice and an opportunity for a hearing the commissioner may  
10 suspend or revoke a license if the commissioner finds that:

11 (1) the license holder failed to pay the annual  
12 license fee, an investigation fee, or another charge imposed by the  
13 commissioner;

14 (2) the license holder, knowingly or without the  
15 exercise of due care, violated this chapter or a rule adopted or  
16 order issued under this chapter; or

17 (3) a fact or condition exists that, if it had existed  
18 or had been known to exist at the time of the original application  
19 for the license, clearly would have justified the commissioner's  
20 denial of the application.

21 SECTION 34. Section 371.157, Finance Code, is amended to  
22 read as follows:

23 Sec. 371.157. PAWN TICKET. A pawnbroker, at the time a pawn  
24 transaction is entered, shall deliver to the pledgor a pawn ticket  
25 or other memorandum that clearly shows:

26 (1) the name and address of the pawnshop;

27 (2) the pledgor's name, address, and physical

1 description and a driver's license number, military identification  
2 number, identification certificate number, or other official  
3 number that can identify the pledgor;

4 (3) the date of the transaction;

5 (4) an identification and description of the pledged  
6 goods, including serial numbers if reasonably available;

7 (5) the amount of cash advanced or credit extended to  
8 the pledgor, designated as "Amount Financed";

9 (6) the amount of the pawn service charge, designated  
10 as "Finance Charge";

11 (7) the total amount, consisting of the amount  
12 financed plus the finance charge, that must be paid to redeem the  
13 pledged goods on the maturity date, designated as "Total of  
14 Payments";

15 (8) the "Annual Percentage Rate," computed according  
16 to Regulation Z (12 C.F.R. Part 1026) adopted ~~[regulations issued]~~  
17 by the Bureau of Consumer Financial Protection ~~[Federal Reserve~~  
18 ~~Board]~~ under the Truth in Lending Act (15 U.S.C. Section 1601 et  
19 seq.), as amended;

20 (9) the maturity date of the pawn transaction; and

21 (10) a statement that:

22 (A) the pledgor is not obligated to redeem the  
23 pledged goods; and

24 (B) the pledged goods may be forfeited to the  
25 pawnbroker on the 31st day after the maturity date.

26 SECTION 35. Section [371.251\(a\)](#), Finance Code, is amended to  
27 read as follows:

1           (a) After notice and an opportunity for a hearing, the  
2 commissioner may revoke or suspend a pawnshop license if the  
3 commissioner finds that:

4               (1) the pawnbroker has not paid a fee or charge imposed  
5 by the commissioner under this chapter;

6               (2) the pawnbroker, knowingly or without exercising  
7 due care to prevent the violation, has violated this chapter or a  
8 rule adopted or an order issued under this chapter;

9               (3) a fact or condition exists that, if it had existed  
10 or had been known to exist at the time of the original license  
11 application, clearly would have justified refusal to issue the  
12 license;

13              (4) the pawnbroker has established an association with  
14 an unlicensed person who, with the knowledge of the pawnbroker, has  
15 violated this chapter;

16              (5) the pawnbroker has aided or conspired with a  
17 person to circumvent this chapter;

18              (6) the pawnbroker or a legal or beneficial owner of  
19 the pawnbroker is not of good moral character or has been convicted  
20 of a crime that the commissioner finds directly relates to the  
21 duties and responsibilities of the occupation of pawnbroker or  
22 would otherwise make the person unfit for a pawnshop license under  
23 Section [371.052](#);

24              (7) the financial responsibility, experience,  
25 character, or general fitness of the pawnbroker or its owners and  
26 managers do not command the confidence of the public or warrant the  
27 belief that the business will be operated lawfully, fairly, and

1 within the purposes of this chapter; or

2 (8) the pawnbroker has not maintained the minimum net  
3 assets required by Section 371.072.

4 SECTION 36. Section 371.255, Finance Code, is amended to  
5 read as follows:

6 Sec. 371.255. REVOCATION OR SUSPENSION OF PAWNSHOP EMPLOYEE  
7 LICENSE. After notice and an opportunity for a hearing, the  
8 commissioner may revoke or suspend a pawnshop employee license if  
9 the commissioner finds that:

10 (1) the license holder knowingly or recklessly  
11 violated this chapter or a rule adopted or order issued under this  
12 chapter;

13 (2) a fact or condition exists that, if it had existed  
14 or had been known to exist at the time of the original license  
15 application, clearly would have justified refusal to issue the  
16 license; or

17 (3) the moral character, business reputation, and general  
18 fitness of the license holder do not warrant belief that the license  
19 holder will operate the business lawfully and fairly within the  
20 provisions of this chapter.

21 SECTION 37. Section 393.614(a), Finance Code, is amended to  
22 read as follows:

23 (a) After notice and an opportunity for a hearing the  
24 commissioner may suspend or revoke a license if the commissioner  
25 finds that:

26 (1) the license holder failed to pay the annual  
27 license fee, an examination fee, an investigation fee, or another

1 charge imposed by the commissioner under this subchapter;

2 (2) the license holder, knowingly or without the  
3 exercise of due care, violated this chapter or a rule adopted or  
4 order issued under this chapter; or

5 (3) a fact or condition exists that, if it had existed  
6 or had been known to exist at the time of the original application  
7 for the license, clearly would have justified the commissioner's  
8 denial of the application.

9 SECTION 38. Section 394.204(k), Finance Code, is amended to  
10 read as follows:

11 (k) In addition to the power to refuse an initial  
12 application as specified in this section, the commissioner may  
13 suspend or revoke a provider's registration after notice and an  
14 opportunity for a hearing if the commissioner finds that any of the  
15 following conditions are met:

16 (1) a fact or condition exists that if it had existed  
17 when the provider applied for registration would have been grounds  
18 for denying registration;

19 (2) a fact or condition exists that the commissioner  
20 was not aware of when the provider applied for registration and  
21 would have been grounds for denying registration;

22 (3) the provider violates this subchapter or rule or  
23 order of the commissioner under this subchapter;

24 (4) the provider is insolvent;

25 (5) the provider refuses to permit the commissioner to  
26 make an examination authorized by this subchapter;

27 (6) the provider fails to respond within a reasonable

1 time and in an appropriate manner to communications from the  
2 commissioner;

3 (7) the provider has received money from or on behalf  
4 of a consumer for disbursement to a creditor under a debt management  
5 plan that provides for regular periodic payments to creditors in  
6 full repayment of the principal amount of the debts and the provider  
7 has failed to disburse money to the creditor on behalf of the  
8 consumer within a reasonable time, normally 30 days;

9 (8) the commissioner determines that the provider's  
10 trust account is not materially in balance with and reconciled to  
11 the consumer's account; or

12 (9) the provider fails to warrant the belief that the  
13 business will be operated lawfully and fairly and within the  
14 provisions and purposes of this subchapter.

15 SECTION 39. Section 1956.0614(b), Occupations Code, is  
16 amended to read as follows:

17 (b) If the commissioner proposes to revoke a registration,  
18 the dealer is entitled to notice and an opportunity for a hearing  
19 before the commissioner or a hearings officer, who shall propose a  
20 decision to the commissioner. The commissioner or hearings  
21 officer shall prescribe the time and place of the hearing if the  
22 dealer makes a written request for a hearing not later than the 20th  
23 day after the date the dealer receives the notice of the  
24 hearing. The hearing is governed by Chapter 2001, Government Code.

25 SECTION 40. Sections 32.06(d-1) and (f-3), Tax Code, are  
26 amended to read as follows:

27 (d-1) A right of rescission described by the Truth in

Lending Act (15 U.S.C. Section 1635) and Regulation Z (12 C.F.R. Section 1026.23) [12 C.F.R. ~~Section 226.23~~] applies to a transfer under this section of a tax lien on residential property owned and used by the property owner for personal, family, or household purposes.

(f-3) Notwithstanding any contractual agreement with the property owner, the transferee of a tax lien must provide the payoff information required by this section to the greatest extent permitted by the Gramm-Leach-Bliley Act (15 U.S.C. Section 6802) and Regulation P (12 C.F.R. Section 1016) [~~15 U.S.C. Section 6802 and 12 C.F.R. Part 216~~]. The payoff statement must meet the requirements of a payoff statement defined by Section 12.017, Property Code. A transferee may charge a reasonable fee for a payoff statement that is requested after an initial payoff statement is provided. However, a transferee is not required to release payoff information pursuant to a notice under Subsection (f-1) unless the notice contains the information prescribed by the Finance Commission of Texas.

SECTION 41. Sections 11.305(a), (b), and (c), Finance Code, are repealed.

SECTION 42. This Act takes effect September 1, 2015.