

## RETAIL CREDITOR ADVISORY BULLETIN

### Increased Documentary Fee Effective September 5, 2013

#### ***Senate Bill 1248***

Earlier this year, the Texas Legislature passed a bill, SB 1248, that repeals the \$50 limitation on the documentary fee that may be charged by retail creditors under Texas Finance Code, Chapter 345. SB 1248 states that the Finance Commission may set by rule a reasonable maximum amount for the documentary services that may be charged in a retail installment transaction for the purchase of a motorcycle, motor-driven cycle, moped, all-terrain vehicle, boat, boat motor, boat trailer, or towable recreational vehicle.

#### ***Documentary Fee Rule***

The Finance Commission has adopted a new rule setting the reasonable maximum amounts that may be charged by Chapter 345 retail creditors in a retail installment transaction. The new rule will be located in Texas Administrative Code, Title 7, Section 86.201.

- For a retail installment contract for the purchase of one or more covered land vehicles (i.e., wheeled vehicles listed above), the reasonable maximum documentary fee is \$125.
- For a retail installment contract for the purchase of one or more covered watercraft (i.e., boat or boat motor), the reasonable maximum documentary fee is \$125.
- For a retail installment contract for the purchase of at least one covered land vehicle AND at least one covered watercraft, the reasonable maximum documentary fee is \$175.

#### ***Effective Date***

The new rule will go into effect on September 5, 2013, and will be available online as of that date ([www.sos.state.tx.us](http://www.sos.state.tx.us)). **The increased documentary fee may not be charged before September 5.**