



STATE OF TEXAS

OFFICE OF CONSUMER CREDIT COMMISSIONER

AL ENDSLEY, Commissioner

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March 30, 1993

RQ-92-1

Mr. Mark D. Morris
Baker & Botts
1600 San Jacinto Center
98 San Jacinto Blvd.
Austin, TX 78701-4039

Dear Mr. Morris:

RE: Texas Credit Code Article 4.04(4) - Schedule of payments

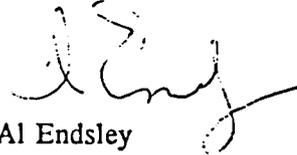
You have written seeking an interpretation as to the specific requirements of Article 5069-4.04(4), Vernon's Texas Civil Statutes, for properly disclosing a "schedule of payments" for certain loans subject to Chapter 4. The chapter applies to installment loans of unlimited amounts and may apply to both consumer and commercial loans. From time to time lenders will enter into transactions subject to Chapter 4 which do not require disclosures under the Truth-in-Lending Act due to the purpose, size, or nature of the transactions. Further, such loans may involve 1) installments of interest only which will vary in amount from month-to-month due to the varying number of days between installment due date or 2) level payments of principal plus accrued interest. Such irregularities complicate the disclosure of a schedule of payments.

You have asked whether disclosure of a payment schedule which complies with Regulation Z or an other method might meet the requirements of the Credit Code as opposed to a schedule which listed by each installment due date the estimated amount of the installment payment due.

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For purposes of meeting the disclosure requirement of Art. 4.04(4) only, I find that use of a payment schedule which complies with Regulation Z of the Federal Reserve Board satisfies the requirement of Art. 4.04(4) to incorporate a "schedule of payments" in a debt instrument. This interpretation will also apply to parallel language in other chapters of the Code.

Sincerely,



Al Endsley

AE:jjm

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This interpretation was approved by the Finance Commission of Texas at its meeting on March 30, 1993, pursuant to Article 5069-2.02A(10), Vernon's Texas Civil Statutes.