

**NOTICE OF PRECOMMENT DRAFT & ONLINE WEBINAR**  
**Credit Access Business Rule Review**  
**October 3, 2023 at 2:00 p.m.**

The Office of Consumer Credit Commissioner (OCCC) will hold an online webinar on October 3, 2023, at 2:00 p.m. During the webinar, the OCCC will discuss the September 15 precomment draft of rule amendments resulting from the rule review for credit access businesses. The OCCC will also accept informal written precomments until 5:00 p.m. on October 6. The OCCC plans to present this rule action for proposal at the Finance Commission's October 27 meeting.

**Summary of Rule Amendments**

In the OCCC's rules for credit access businesses at 7 Tex. Admin. Code Chapter 83, Subchapter B, the proposed rule amendments include the following:

- Section 83.3002 would be amended to remove the requirement to list a "responsible person" for each location on a credit access business license application, and replace this with a requirement to list a "compliance officer." This change would enable credit access business to identify an individual who can be contacted on a company-wide basis. Section 83.3002 would also be amended to remove language suggesting that license applicants send fingerprints directly to the OCCC. Currently, license applicants submit fingerprints through a party approved by the Texas Department of Public Safety.
- Section 83.3007 would be amended to specify that if the OCCC does not find that the eligibility requirements for a license are not met, then the OCCC will send a notice of intent to deny the license application. Section 83.3007 would also be amended to specify that an applicant has 30 calendar days from the date of the notice to request a hearing. This 30-day hearing request period is described in Section 393.607(c) of the Texas Finance Code.
- Section 83.4003 would be amended to update language on evaluating criminal history of applicants and licensees, in order to ensure consistency with Section 53.022 of the Texas Occupations Code and to correct an internal cross-reference.
- Section 83.6007 would be amended to revise model cost disclosures, reflecting data from 2022 reports submitted by credit access businesses.

The OCCC invites stakeholders to comment on these proposed rule amendments.

**Participating in Webinar**

Stakeholders are invited to listen and participate in the online webinar. Please follow the instructions available at: <https://attendee.gotowebinar.com/register/5005970222505726551>

**Submission of Informal Precomments**

Informal precomments on the draft rules may be submitted by email to [rule.comments@occc.texas.gov](mailto:rule.comments@occc.texas.gov), or by mail to Matthew Nance, General Counsel, Office of Consumer Credit Commissioner, 2601 North Lamar Blvd., Austin, Texas 78705.

Precomments submitted to the OCCC are generally public. Please redact all confidential information before submitting precomments to the OCCC.

***Informal precomments on the OCCC's September 15 precomment draft must be received by 5:00 p.m. on October 6, 2023.***

# OCCC Credit Access Business Rule Review Amendments

9/15/2023 Precomment Draft

*Title 7, Texas Administrative Code*

*Part 5. Office of Consumer Credit Commissioner*

*Chapter 83. Regulated Lenders and Credit Access Businesses*

*Subchapter B. Rules for Credit Access Businesses*

*Division 3. Application Procedures*

*§83.3002. Filing of New Application*

An application for issuance of a new credit access business license must be submitted in a format prescribed by the commissioner at the date of filing and in accordance with the commissioner's instructions. The commissioner may accept the use of prescribed alternative formats to facilitate multistate uniformity of applications or in order to accept approved electronic submissions. Appropriate fees must be filed with the application and the application must include the following:

(1) Required application information. All questions must be answered.

(A) Application for license.

(i) (No change.)

(ii) Compliance officer. The application must list a compliance officer. The compliance officer must be an individual responsible for overseeing compliance, and must be authorized to receive and respond to communications from the OCCC. ~~[Responsible person. For each of the applicant's proposed offices, the person with substantial management responsibility for operations must be named.]~~

(iii) - (iv) (No change.)

(B) - (E) (No change.)

(2) Other required filings.

(A) Fingerprints.

(i) - (iv) (No change.)

(v) For individuals who have previously submitted fingerprints to another state agency (e.g., Texas Department of Savings and Mortgage Lending), fingerprints are still required

to be submitted under [to the OCCC, as per] Texas Finance Code, §14.152. Fingerprints cannot be disclosed to others, except as authorized by Texas Government Code, §560.002.

(B) - (F) (No change.)

(3) (No change.)

#### *§83.3007. Processing of Application*

(a) - (c) (No change.)

(d) Notice of intent to deny application. If the OCCC does not find that the eligibility requirements for a license have been met, then the OCCC will send a notice of intent to deny the license application to the applicant.

(e) [(d)] Hearing. An [Whenever an application is denied, the] affected applicant has 30 calendar days from the date of the notice of intent to deny the license application [the application was denied] to request in writing a hearing to contest the denial. This hearing will be conducted pursuant to the Administrative Procedure Act, Texas Government Code, Chapter 2001, and the rules of procedure applicable under §9.1(a) of this title (relating to Application, Construction, and Definitions), before an administrative law judge who will recommend a decision to the commissioner. The commissioner will then issue a final decision after review of the recommended decision.

(f) [(e)] Denial. If an application has been denied, the assessment fee will be refunded to the applicant. The investigation fee and the fingerprint processing fee in §83.3010 of this title (relating to Fees) will be forfeited.

(g) [(f)] Processing time.

(1) - (3) (No change.)

#### *Division 4. Application Procedures*

#### *§83.4003. Denial, Suspension, or Revocation Based on Criminal History*

(a) - (b) (No change.)

(c) Crimes directly related to licensed occupation. The OCCC may deny a license application, or suspend or revoke a license, if the applicant or licensee has been convicted of an offense that directly relates to the duties and responsibilities of a credit access business, as provided by Texas Occupations Code, §53.021(a)(1).

(1) (No change.)

(2) In determining whether a criminal offense directly relates to the duties and responsibilities of holding a license, the OCCC will consider the following factors, as specified in Texas Occupations Code, §53.022:

(A) the nature and seriousness of the crime;

(B) the relationship of the crime to the purposes for requiring a license to engage in the occupation;

(C) the extent to which a license might offer an opportunity to engage in further criminal activity of the same type as that in which the person previously had been involved; ~~and~~

(D) the relationship of the crime to the ability or [-] capacity ~~[- or fitness]~~ required to perform the duties and discharge the responsibilities of a licensee; and [-]

(E) any correlation between the elements of the crime and the duties and responsibilities of the licensed occupation.

(3) (No change.)

(d) Crimes related to character and fitness. The OCCC may deny a license application if the OCCC does not find that the financial responsibility, experience, character, and general fitness of the applicant are sufficient to command the confidence of the public and warrant the belief that the business will be operated lawfully and fairly, as provided by Texas Finance Code, §393.607(a). In conducting its review of character and fitness, the OCCC will consider the criminal history of the applicant and its principal parties. If the applicant or a principal party has been convicted of an offense described by subsections (c)(1) or (f)(1) ~~(f)(2)~~ of this section, this reflects negatively on an applicant's character and fitness. The OCCC may deny a license application based on other criminal history of the applicant or its principal parties if, when the application is considered as a whole, the agency does not find that the financial responsibility, experience, character, and general fitness of the applicant are sufficient to command the confidence of the public and warrant the belief that the business will be operated lawfully and fairly. The OCCC will, however, consider the factors identified in subsection (c)(2) - (3) of this section in its review of character and fitness.

(e) - (f) (No change.)

#### *Division 6. Consumer Disclosures and Notices*

##### *§83.6007. Consumer Disclosures*

(a) Consumer disclosure for single payment payday loan. The required disclosure under Texas Finance Code, §393.223 to be provided to a consumer before a credit application is provided and before a financial evaluation occurs in conjunction with a single payment payday loan is presented in the following figure.

Figure: 7 TAC §83.6007(a) {See attached amendments.}

(b) Consumer disclosure for multiple payment payday loan. The required disclosure under Texas Finance Code, §393.223 to be provided to a consumer before a credit application is provided and before a financial evaluation occurs in conjunction with a multiple payment payday loan is presented in the following figure.

Figure: 7 TAC §83.6007(b) *{See attached amendments.}*

(c) Consumer disclosure for single payment auto title loan. The required disclosure under Texas Finance Code, §393.223 to be provided to a consumer before a credit application is provided and before a financial evaluation occurs in conjunction with a single payment auto title loan is presented in the following figure.

Figure: 7 TAC §83.6007(c) *{See attached amendments.}*

(d) Consumer disclosure for multiple payment auto title loan. The required disclosure under Texas Finance Code, §393.223 to be provided to a consumer before a credit application is provided and before a financial evaluation occurs in conjunction with a multiple payment auto title loan is presented in the following figure.

Figure: 7 TAC §83.6007(d) *{See attached amendments.}*

(e) - (f) (No change.)

**CAB NAME HERE****Payday Loan****\$\_\_\_\_\_, One Payment****Cost Disclosure****Cost of this loan:**

<b>Borrowed amount</b> (cash advance)	\$ _____
<b>Interest paid to lender</b> (interest rate: __ %)	\$ _____
<b>Fees paid to</b> <u>CAB name here</u>	\$ _____
<b>Total of payments</b> (if I pay on time)	\$ _____





<b>APR</b>	_____ %
<b>Term of loan</b>	_____

<b>If I pay off the loan in:</b>	<b>I will have to pay interest and fees of approximately:</b>	<b>I will have to pay a total of approximately:</b>
2 Weeks	\$ _____	\$ _____
1 Month	\$ _____	\$ _____
2 Months	\$ _____	\$ _____
3 Months	\$ _____	\$ _____

**Cost of other types of loans:**

<b>Least Expensive</b>	<b>Credit Cards</b>	<b>Secured Loans</b>	<b>Signature Loans</b>	<b>Pawn Loans</b>	<b>Auto Title Loans</b>	<b>Payday Loans</b>	<b>Most Expensive</b>
	↓	↓	↓	↓	↓	↓	
	<b>22%</b>	<b>30%</b>	<b>89%</b>	<b>180%</b>	<b>223%</b>	<b>415%</b>	<b>Average APR</b>
	<b>\$1.82</b>	<b>\$3.55</b>	<b>\$13.38</b>	<b>\$15.00</b>	<b>\$19.45</b>	<b>\$34.14</b>	<b>Average fees &amp; interest per \$100 borrowed over 1 month</b>

**Repayment:**

<b>Of 10 people who get a new single-payment payday loan:</b>	
	5 $\frac{3}{4}$ will pay the loan on time as scheduled (typically before 30 days)
	1 $\frac{1}{2}$ will renew 1 time before paying off the loan
	1 $\frac{3}{4}$ will renew 2 to 4 times before paying off the loan
	1 will renew 5 or more times or will never pay off the loan

This data is from 2022 reports to the OCCC.

**Before getting this loan, ask yourself:**

- Do I need to borrow this money?
- Can I pay back the loan **in full** when it is due?
- Can I pay my bills and repay this loan?
- Can I afford late charges if I miss a payment?
- Do I have other credit options?

**OCCC notice:**

- This company is regulated by the Texas Office of Consumer Credit Commissioner (OCCC).
- OCCC Consumer Helpline: (800) 538-1579, [consumer.complaints@occc.texas.gov](mailto:consumer.complaints@occc.texas.gov).
- Visit [occc.texas.gov](http://occc.texas.gov) for more information.
- This disclosure is provided under Texas Finance Code Section 393.223.

**CAB NAME HERE****Payday Loan**

\$ \_\_\_\_\_, \_\_\_\_\_ Payments

**Cost Disclosure****Cost of this loan:**

<b>Borrowed amount</b> (cash advance)	\$ _____
<b>Interest paid to lender</b> (interest rate: __ %)	\$ _____
<b>Fees paid to</b> <u>CAB name here</u>	\$ _____
<b>Payment amounts</b> (payments due every _____)	Payments #1-# _____ \$ _____ (Final) Payment # _____ \$ _____
<b>Total of payments</b> (if I pay on time)	\$ _____




<b>APR</b>	_____ %
<b>Term of loan</b>	_____

<b>If I pay off the loan in:</b>	<b>I will have to pay interest and fees of approximately:</b>	<b>I will have to pay a total of approximately:</b>
2 Weeks	\$ _____	\$ _____
1 Month	\$ _____	\$ _____
2 Months	\$ _____	\$ _____
3 Months	\$ _____	\$ _____
_____	\$ _____	\$ _____

**Cost of other types of loans:**

<b>Least Expensive</b>	<b>Credit Cards</b>	<b>Secured Loans</b>	<b>Signature Loans</b>	<b>Pawn Loans</b>	<b>Auto Title Loans</b>	<b>Payday Loans</b>	<b>Most Expensive</b>
	↓	↓	↓	↓	↓	↓	
	22%	30%	89%	180%	223%	415%	<b>Average APR</b>
	\$1.82	\$3.51	\$12.52	\$15.00	\$19.45	\$34.14	<b>Average fees &amp; interest per \$100 borrowed over 1 month</b>

**Repayment:**

Of 10 people who get a new multi-payment payday loan:	
	6 ¾ will pay the loan on time as scheduled (typically 5 months)
	¾ will renew 1 to 4 times before paying off the loan
	2 ½ will renew 5 or more times or will never pay off the loan.

This data is from 2022 reports to the OCCC.

**Before getting this loan, ask yourself:**

- Do I need to borrow this money?
- Can I pay back the loan **in full** when it is due?
- Can I pay my bills and repay this loan?
- Can I afford late charges if I miss a payment?
- Do I have other credit options?

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**CAB NAME HERE****Auto Title Loan****\$\_\_\_\_\_, One Payment****Cost Disclosure****You can lose your car.**

If you miss a payment or make a late payment, your car can be repossessed.

**Cost of this loan:**

<b>Borrowed amount</b> (cash advance)	\$ _____
<b>Interest paid to lender</b> (interest rate: __ %)	\$ _____
<b>Fees paid to</b> <u>CAB name here</u> (includes a one-time \$__ title fee)	\$ _____
<b>Total of payments</b> (if I pay on time)	\$ _____

<b>APR</b>	_____ %
<b>Term of loan</b>	_____

<b>If I pay off the loan in:</b>	<b>I will have to pay interest and fees of approximately:</b>	<b>I will have to pay a total of approximately:</b>
2 Weeks	\$ _____	\$ _____
1 Month	\$ _____	\$ _____
2 Months	\$ _____	\$ _____
3 Months	\$ _____	\$ _____

**Cost of other types of loans:**

<b>Least Expensive</b>	<b>Credit Cards</b>	<b>Secured Loans</b>	<b>Signature Loans</b>	<b>Pawn Loans</b>	<b>Auto Title Loans</b>	<b>Payday Loans</b>	<b>Most Expensive</b>
	↓	↓	↓	↓	↓	↓	
	<b>22%</b>	<b>30%</b>	<b>89%</b>	<b>180%</b>	<b>223%</b>	<b>415%</b>	<b>Average APR</b>
	<b>\$1.82</b>	<b>\$3.55</b>	<b>\$13.38</b>	<b>\$15.00</b>	<b>\$19.45</b>	<b>\$34.14</b>	<b>Average fees &amp; interest per \$100 borrowed over 1 month</b>

**Repayment:**

Of 10 people who get a new single-payment auto title loan:	
	1 ¼ will pay the loan on time as scheduled (typically 30 days)
	¼ will renew 1 time before paying off the loan
	¾ will renew 2 to 4 times before paying off the loan
	7 ¼ will renew 5 or more times or will never pay off the loan

This data is from 2022 reports to the OCCC.

**Before getting this loan, ask yourself:**

- Do I need to borrow this money?
- Can I pay back the loan **in full** when it is due?
- Can I pay my bills and repay this loan?
- Can I afford late charges if I miss a payment?
- Do I have other credit options?

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**CAB NAME HERE****Auto Title Loan****\$\_\_\_\_\_, \_\_\_\_ Payments****Cost Disclosure****You can lose your car.**

If you miss a payment or make a late payment, your car can be repossessed.

**Cost of this loan:**

<b>Borrowed amount</b> (cash advance)	\$ _____
<b>Interest paid to lender</b> (interest rate: ____ %)	\$ _____
<b>Fees paid to</b> <u>CAB name here</u> (includes a one-time \$____ title fee)	\$ _____
<b>Payment amounts</b> (payments due every _____)	Payments #1-# _____ \$ _____ (Final) Payment # _____ \$ _____
<b>Total of payments</b> (if I pay on time)	\$ _____

<b>APR</b>	_____ %
<b>Term of loan</b>	_____

<b>If I pay off the loan in:</b>	<b>I will have to pay interest and fees of approximately:</b>	<b>I will have to pay a total of approximately:</b>
2 Weeks	\$ _____	\$ _____
1 Month	\$ _____	\$ _____
2 Months	\$ _____	\$ _____
3 Months	\$ _____	\$ _____
_____	\$ _____	\$ _____

**Cost of other types of loans:**

<b>Least Expensive</b>	<b>Credit Cards</b>	<b>Secured Loans</b>	<b>Signature Loans</b>	<b>Pawn Loans</b>	<b>Auto Title Loans</b>	<b>Payday Loans</b>	<b>Most Expensive</b>
	↓	↓	↓	↓	↓	↓	
	<b>22%</b>	<b>30%</b>	<b>89%</b>	<b>180%</b>	<b>223%</b>	<b>415%</b>	<b>Average APR</b>
	<b>\$1.82</b>	<b>\$3.55</b>	<b>\$13.38</b>	<b>\$15.00</b>	<b>\$19.45</b>	<b>\$34.14</b>	<b>Average fees &amp; interest per \$100 borrowed over 1 month</b>

**Repayment:**

Of 10 people who get a new multi-payment auto title loan:	
	4 ¼ will pay the loan on time as scheduled (typically 5 - 6 months)
	¾ will renew 1 time before paying off the loan
	1 will renew 2 to 4 times before paying off the loan
	4 will renew 5 or more times or will never pay off the loan

This data is from 2022 reports to the OCCC.

**Before getting this loan, ask yourself:**

- Do I need to borrow this money?
- Can I pay back the loan **in full** when it is due?
- Can I pay my bills and repay this loan?
- Can I afford late charges if I miss a payment?
- Do I have other credit options?

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