

Regulated Lender Advisory Bulletin: Maximum Administrative Fee & Acquisition Charge

This bulletin summarizes recent rule amendments adjusting the maximum administrative fee and acquisition charge for regulated loans under Texas Finance Code, Chapter 342.

Under rule amendments that went into effect on July 11, 2024:

- The maximum Subchapter E administrative fee is \$125 through June 2025, with annual adjustments based on the Consumer Price Index (CPI).
- The maximum Subchapter F acquisition charge is the lesser of \$125 or 12.5% of the cash advance (with the \$125 amount being set through June 2025 and then adjusted annually based on CPI).

1. Maximum Subchapter E administrative fee

Regulated lenders may charge an administrative fee for loans under Texas Finance Code, Chapter 342, Subchapter E. The maximum administrative fee is described in the OCCC's rule at Texas Administrative Code, Title 7, Section 83.503. The Finance Commission of Texas recently amended Section 83.503 to adjust the maximum administrative fee to \$125.

The \$125 maximum applies to Subchapter E loans made from July 11, 2024, through June 30, 2025. (Before July 11, 2024, the maximum administrative fee was \$100.)

Starting in 2025, the maximum administrative fee will be adjusted annually based on the Consumer Price Index (CPI). By May 1 of each year, the OCCC will publish the maximum administrative fee that will be effective on July 1 of that year.

2. Maximum Subchapter F acquisition charge

Regulated lenders may charge an acquisition charge for loans under Texas Finance Code, Chapter 342, Subchapter F. The maximum acquisition charge is described in the OCCC's rule at Texas Administrative Code, Title 7, Section 83.605. The Finance Commission recently amended Section 83.605 to adjust the maximum acquisition charge to the lesser of \$125 or 12.5% of the cash advance.

The \$125 maximum applies to Subchapter F loans made from July 11, 2024, through June 30, 2025. (Before July 11, 2024, the maximum acquisition charge was the lesser of \$100 or 10% of the cash advance.)

Starting in 2025, the \$125 maximum acquisition charge will be adjusted annually based on CPI. By May 1 of each year, the OCCC will publish the maximum acquisition charge that will be effective on July 1 of that year.