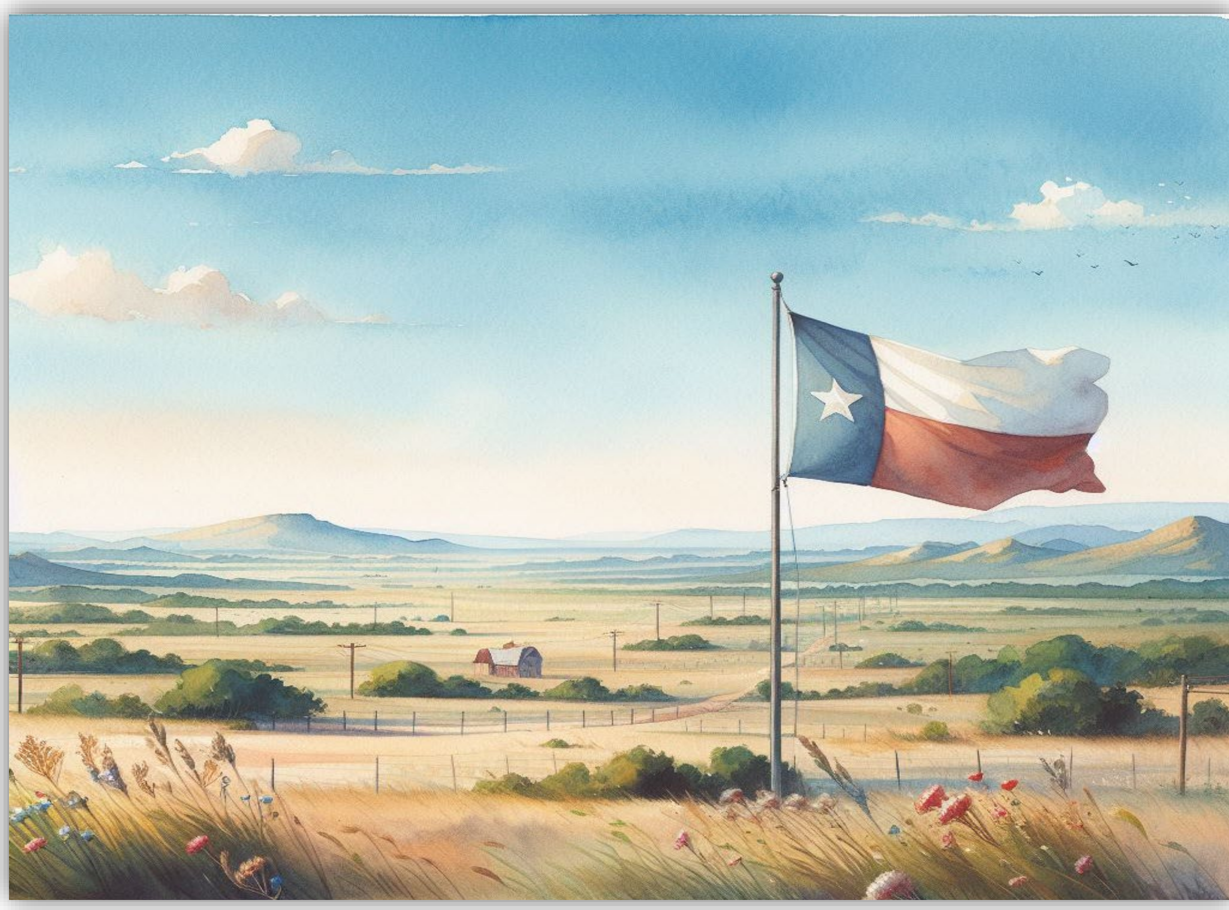

TEXAS OFFICE OF CONSUMER CREDIT COMMISSIONER

2024 Report on Availability, Quality, and Pricing of Certain Financial Services and Consumer Loan Products

12/1/2024

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Executive Summary

Usage of credit declined by 15% in origination amount in 2023 based on data reported to the Office of Consumer Credit Commissioner (OCCC). This decline may not reflect the full picture, as some lenders and credit access businesses have employed transaction structures that may not be reported to the OCCC. On a national level, consumer debt continues to climb, but overall wage growth has largely offset this trend. The smallest loans remain below pre-pandemic lending levels.

Pricing of consumer credit transactions regulated by the OCCC spans a wide spectrum, from minimal cost to extremely high rates. Transactions such as motor vehicle retail installment contracts, property tax loans, installment loans, and pawn loans are subject to capped fees and interest rates. In contrast, credit access business transactions, which lack regulatory caps, tend to carry the highest costs.

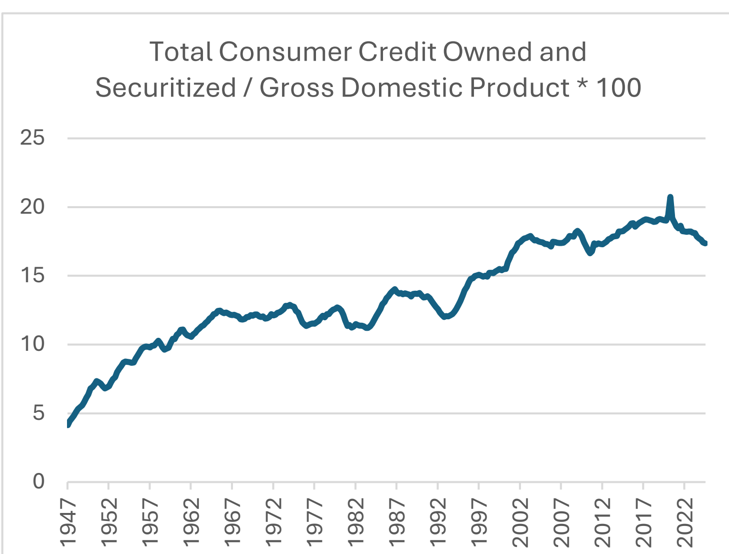
Innovation in the credit market has introduced a growing variety of products. These include loans secured by real property, personal property, and even virtual assets. Consumers now have more flexible ways to access credit for earned wages or installment-based purchases. However, uncertainty around applicable regulations and potential gaps in oversight could influence market growth, competition, and product quality.

Repayment of certain consumer debts is being postponed. Auto loan balances surged in 2020 due to vehicle price hikes driven by supply shortages and global inflation. While auto loan delinquencies are at their highest since the 2008 recession recovery, they remain below the peak levels of that era. Similarly, credit card delinquencies have recently approached post-recession highs, though their upward trend has plateaued.

Introduction

The OCCC, founded in 1963, has regulatory oversight to address the growing financial marketplace in Texas. Each industry under its jurisdiction presents distinct consumer benefits along with specific compliance requirements. The agency's mission is to ensure that the non-depository financial services sector provides financial products that meet market needs while complying with regulatory standards. This sector includes most non-depository lenders, non-real estate lenders, and certain segments of real property loans, all overseen by the OCCC. However, some lenders (like banks) and certain transactions (such as loans with interest rates below 10%) are exempt from OCCC licensing, covering the remaining market areas. Most businesses in these industries submit annual reports detailing their transaction growth or decline over the previous year. This report outlines six of the most common credit transactions received by Texas consumers from OCCC licensees in 2023, along with general alternatives to these products.

Industry (Statutory Provision)
Regulated Lenders -*Texas Finance Code (TFC) ch. 342*
Large Installment Loans - *TFC ch. 342 subch. E*
Small Installment Loans - *TFC ch. 342 subch. F*
Property Tax Loans – *TFC ch. 351*
Credit Access Businesses/*Payday and Title Loans - TFC ch. 393*
Pawn Loans - *TFC ch. 371*
Motor Vehicle Sales Finance - *TFC ch. 348*



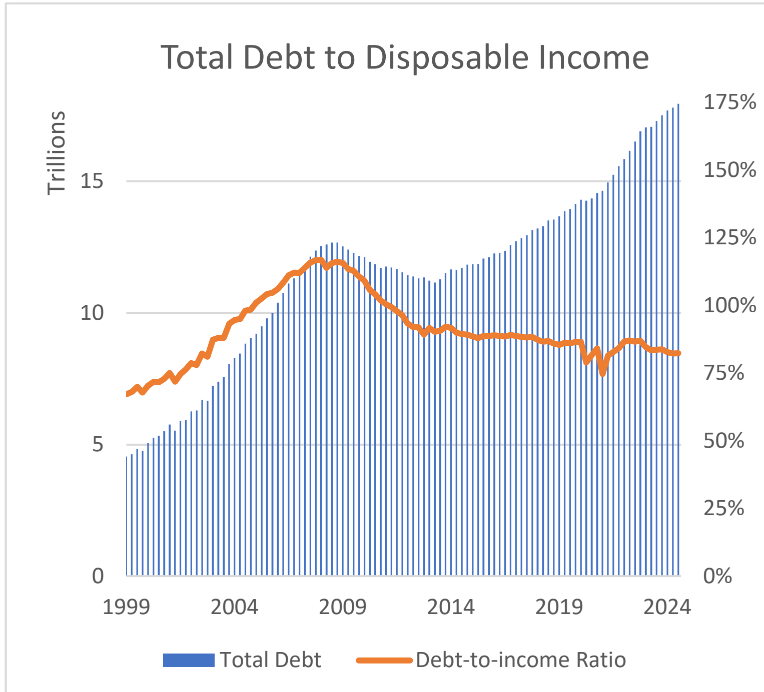
Source: Federal Reserve Bank of St. Louis

Consumer Credit in the Economy

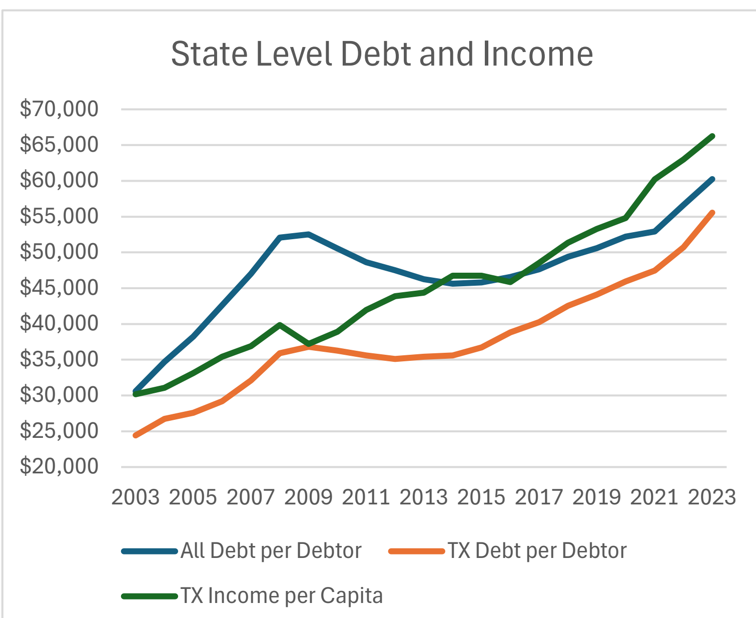
Consumer credit plays a significant role in the economy. In 1947, it accounted for just 4% of gross domestic product (GDP). Today, consumer credit represents 17% of GDP, reflecting its growing impact. Credit can positively influence economic growth by boosting consumer spending, which, in turn, drives job creation. However, when debt levels become excessive, households tend to spend less on goods and more on servicing debt. It is crucial to assess whether the level of debt being accumulated is fostering sustainable growth or creating financial strain at both the macroeconomic and household levels.

DEBT LEVELS

Aggregate household debt has risen consistently following the recovery of the 2008 recession. In Q3 2024, household debt rose to $17.94 trillion predominantly made up of mortgage debt of almost $13 trillion. Although as record debt levels continue to climb when compared to wage growth the ratio of debt to disposable income is below pre-pandemic level at 82%. During the mid to late 2000's the debt-to-income ratio exceeded 100%. Although aggregate disposable income growth has outpaced borrowing not everyone experiences those benefits equally and personal debt to income ratios may reveal different trends.
(Andrew Haughwout, 2024)



PER PERSON STATE COMPARISON



Texas debt per debtor has consistently remained below the national average. Since 2009, the state's debt has grown at a slightly faster pace, aligning with a more stable state economy and rising home prices. During the 2009 national recession, state income per capita was closest to the average debt level; however, since then, income has increased at a faster rate than debt.

Source: New York Fed Consumer Credit Panel/Equifax

Federal Reserve Bank of St. Louis

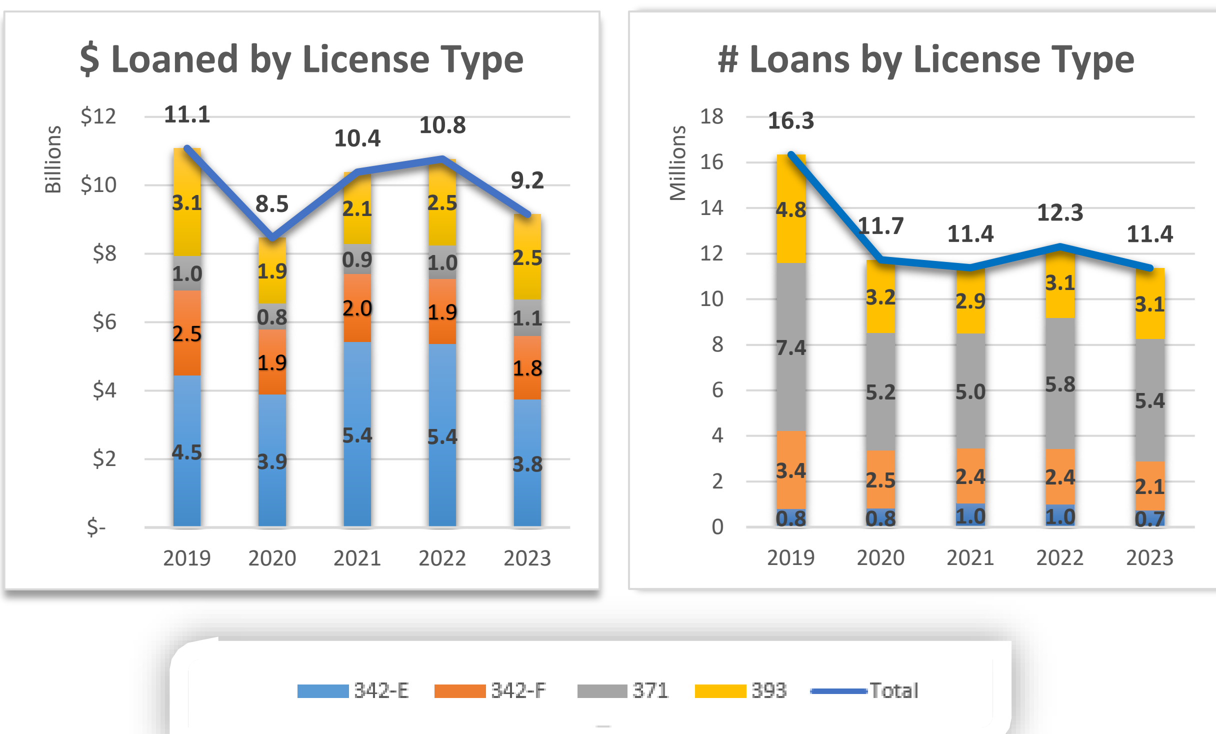
Lending Volumes

Non-real estate loans account for most consumer loans (Installment Loans, Pawn Loans, and Payday/Title Loans). OCCC licensed lenders and financial service providers profiled in this report made **11,370,000**[1] loans for **$9.2 billion** in 2023. This number does not reflect the number of borrowers as they may take out several loans during a year by refinancing a loan or receiving multiple loans throughout the year.

Loan originations decreased by approximately 15% in dollar volume over 2022. A 260,000-loan drop in the large installment category (342-E) is the primary driver producing $1.6 billion less loans made. Although most of the largest lenders did report some decline in loan originations, two were due to transaction restructuring.

According to 2022 originations, two of the ten largest 342-E lenders issued 200,000 fewer loans combined in 2023 after shifting to a bank partnership model, under which a bank makes the loan. This model may attract more companies in the coming years.

Five Year Lending Volume Comparison



[1] *Data submitted by OCCC licensees is aggregated and published on the OCCC website by industry.* *https://occc.texas.gov/publications/activity-reports*

Consumer Loans: Personal/Secured Loans (342-E)

Overview

In 2023, 742,418 personal/secured loans were issued under Chapter 342-E. These loans offer higher advance amounts and lower annual interest rates compared to signature and small installment loans. The cost to refinance these obligations is also typically lower than alternative products. Subchapter E loans are typically more affordable than subchapter F loans or payday loans. Lenders are typically located in business districts and suburban areas. An increasing amount of loans are offered online.

Type of Customer

Borrowers of small consumer loans made under Chapter 342-E typically have better credit profiles than unsecured/signature loan borrowers. A 342-E borrower will need sufficient disposable income to demonstrate to the lender they can afford the loan.

Typical Rates

The maximum allowable rates for Chapter 342-E loans are determined in statute and depend on the amount loaned. Some borrowers may receive a lower-than-maximum interest rate and the lender may offer additional products and services such as credit insurance or automobile club memberships. Fees common with these loans are filing liens (perfecting a security interest) and prepaid administrative fees.

Allowable Charges	Interest Rates: typically 18% - 30%
	A prepaid Administrative Fee of up to $125 may be included
	A late charge of 5% of the missed payment may be assessed 10 days after the due date
	$30 fee for dishonored payments by check
Loan Terms	No maximum loan amount (if the rate is 18% or less). General Purpose loans average around $5,000.
	Loan term can be 60 months or more
	Typically, no more than one outstanding loan per borrower per company
	Prepayment allowed and interest is normally calculated on a simple annual basis

Default

Borrowers with secured loans risk losing their personal property, motor vehicle, or other security to the lender. The lender or third-party debt collector may pursue the remaining deficiency balance after the sale of the collateral. A borrower may also face attorney fees, repossession fees, and court costs added to the loan balance.

Alternatives

Chapter 342-E borrowers could potentially qualify for more traditional and lower cost methods of credit. These alternative types of credit include credit cards for purchases or cash advances, personal loans from credit unions and bank, online peer to peer lending platforms, and home equity loans.

Consumer Loans: Signature/Small Installment Loans (342-F)

Overview

In 2023, 2,132,829 small installment loans averaging $866 were issued under Chapter 342-F. Due to these loans' higher-cost nature, the cash advance amounts are limited by law. Borrowers can obtain Chapter 342-F loans with minimal to no security or credit references. Lenders may require collateral such as personal property, including holding a vehicle title; however, lenders rarely file liens (or perfect a security interest) as the costs of filing such liens cannot be recouped from the consumer.

The industry is very homogeneous: storefronts of different companies may be clustered within a specific region or location, and different lenders may have common borrowers. Lenders depend on repeat business and many customers end up refinancing their loans several times.

Small installment lenders are located in high-traffic areas such as strip malls. Some lenders may offer loans through the mail where the offer in the form of a live check can be accepted and cashed outside of a store. In most cases, borrowers can expect to receive their funds the same day they apply. Loan proceeds are typically provided by check.

Type of Customer

Small consumer loans made under Chapter 342-F rates are available to customers with below-average credit scores. A Chapter 342-F borrower needs employment income or some other source of a steady income to qualify for the loan and the borrower must be able to repay the loan and all other known obligations concurrently.

Typical Rates

The maximum allowable rates for Chapter 342-F loans are determined by statute. Most lenders charge the maximum interest rates (installment account handling charge), but some may compete with a lower acquisition charge. The current maximum rates are as follows:

Allowable Charges	Fee structure for loans > $100:
	APR 80% - 113%
	12.5% non-refundable Acquisition Charge (limited to $125)
	$4 per $100/month Installment Account Handling Charge
	A late charge of $10 or 5% of the scheduled installment (whichever is greater) is typically assessed 10 days after the due date
	$30 fee for dishonored payment by check
Loan Terms	Maximum loan amount: $1,760*
	Limited loan terms. Usually 9 - 24 months
	Typically, no more than one outstanding loan per borrower per company
	Prepayment is allowed (without penalty) and interest is normally calculated on a simple or precomputed basis

*Finance charge brackets and maximum effective rates as of July 1, 2024. Loan ceilings adjust each July 1.

Default

Borrowers utilizing secured loans risk losing their personal property, motor vehicle, or other security. The lender or third-party debt collector may pursue the remaining deficiency balance after the collateral has been disposed of or the entire remaining outstanding balance of unsecured loans. A lender may file a suit against the borrower or repossess the collateral, and some lenders report the repayment history to consumer reporting agencies.

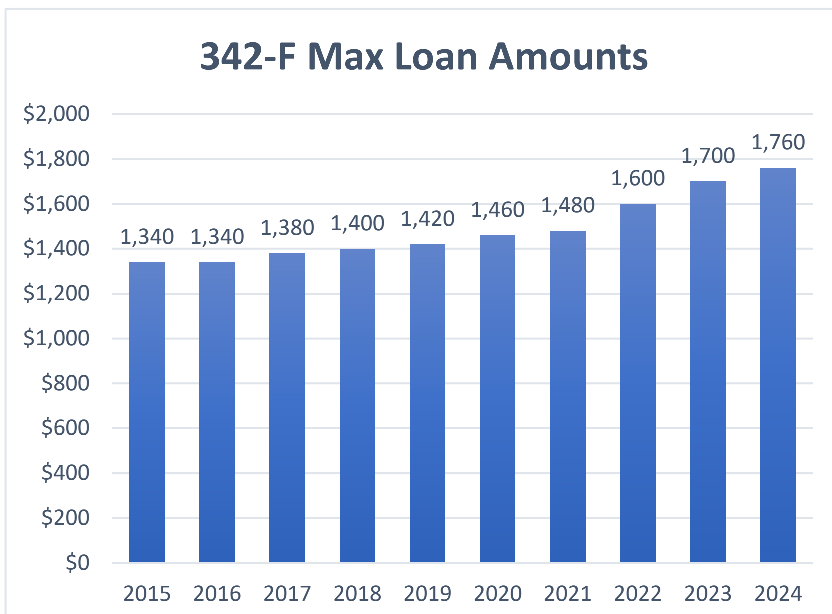
Alternatives

Small consumer loan borrowers may run into eligibility issues with other credit products. Possible alternatives are pawn loans, credit card advances, and payday loans.

Factors Affecting Consumer Loans

The amount a consumer may borrow is limited on a 342-F loan. The 2024 loan ceiling is $1,760, reflecting an increase in the Consumer Price Index (CPI) from December 2022 to December 2023. During periods of low inflation, the loan ceiling has not changed. For the three consecutive years of 2014-2016, the loan ceiling remained at $1,340.

The CPI adjustments have resulted in the maximum 342-F loan amount increasing 31% in the last ten years and 3.5% in the past year. An analysis of Transunion credit data found that the average balance of all unsecured personal loans remained relatively unchanged nationwide from Q2 2023 to Q2 2024 after increasing 11% the previous year. (Transunion, 2024)



Regulated Lender Consolidated Volume Report
Calendar Year 2023

Loans Made	Number of Loans	Dollar Value of Loans
Chapter 342-E	742,418	$3,788,076,256
Chapter 342-F	2,132,829	$1,847,559,592
Chapter 342 G – Secondary Mortgages	3,510	$1,036,174,591
Home Equity Loans – 1st Lien	9,076	$2,058,597,165
Home Equity Loans – 2nd Lien	626	$65,279,649
Chapter 346 – Revolving Credit Accounts	170,593	$192,226,652
Chapter 348 – Motor Vehicle Sales Finance	333,237	$14,826,730,744
Chapter 345 – Retail Installment Sales/Contracts	2,217,500	$1,826,169,790
Chapter 347 Loans – Manufactured Housing	4,818	$505,412,306

Number of Companies Reporting: 804

Property Tax Loans (351)

Overview

In 2023, 7,642 property tax loans averaging $14,969 were made under Chapter 351 on residential properties. With the consent of the property owner, a property tax lender is allowed to transfer and assume the special lien generated by taxing units of the property by paying delinquent taxes. The special lien retains its superior lien position (e.g. priority position in front of a purchase mortgage) after transfer and is foreclosable.

The industry relies on direct mail solicitation, web search results, and repeat customers for business. Property owner information is generally public record and can be used in mail solicitations; however, specific advertisement rules in 7 Texas Administrative Code §89.208 apply. Property Tax Loans on residential properties must be closed by licensed residential mortgage loan originators.

Type of Customer

Property owners 65 and older claiming a homestead exemption on the property may defer their property taxes and are not eligible for a property tax loan. A typical property tax borrower generally owns their home free and clear, or if they do have a mortgage, the property taxes are not escrowed.

Typical Rates

The maximum allowable rates for Chapter 351 loans are determined by statute. The average rate is lower than the maximum interest rate of 18%. Lenders can also charge closing costs associated with the review and preparation of loan documents.

Allowable Charges	Interest Rate of 18% or less:
	General Closing Cost limit of $900
	Additional Closing Costs of $100 per additional parcel of real property
	Reasonable fee if required to repair a title defect
	A late charge of 5% of the scheduled installment assessed 10 days after the due date
	Additional fees paid to attorneys for foreclosure and bankruptcy actions can be substantial
Loan Terms	Maximum loan amount is based on the definition of Funds Advanced in Texas Tax Code §32.06 and is limited to items on the tax receipt, fees to record the lien, and closing costs
	Loan terms vary from one year to several years
	Notification to any pre-existing lienholders required after transfer and after 90 days of delinquency
	Prepayment is allowed (without penalty on homestead property) and loans that become delinquent by 90+ days are often paid by the borrower's pre-existing mortgage company

Default

Similar to a mortgage or home equity loan, borrowers risk foreclosure for non-payment. After a foreclosure sale, the original residential property owner has a right to redeem by paying 125 percent of the foreclosure sale price during the first year of the redemption period or 150 percent of the foreclosure sale price during the second year of the redemption period with cash or cash equivalent funds.

Alternatives

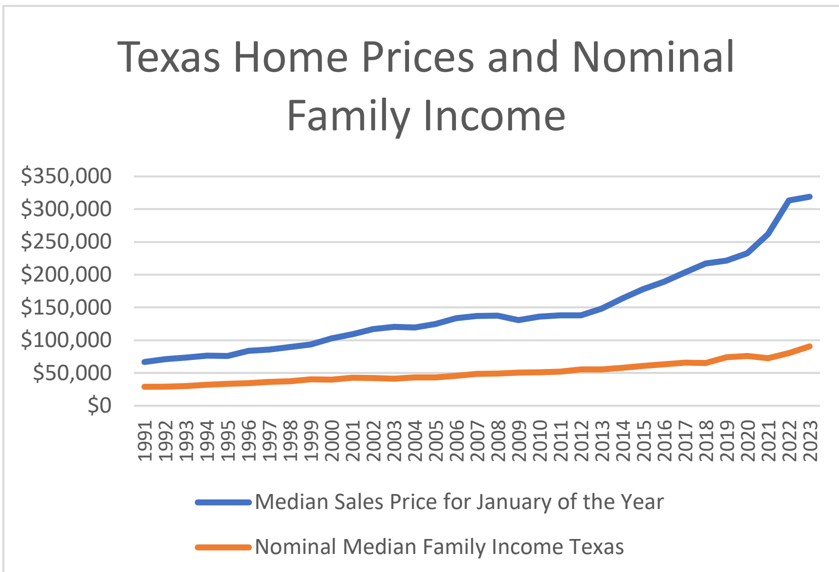
1. Taxing Unit Payment Plan for Residence Homesteads[2]

2. Credit Card with a low-interest rate

3. Home Equity Loan

4. Other options may be offered by individual County Tax Collectors or Texas Tax Code Chapter 31 (some options may have eligibility requirements)

Factors Affecting Property Tax Loans



By some estimates, Texas has the seventh-highest property tax burden in the United States. An analysis of 2022 property tax data concluded that the mean effective rate was 1.47% in 2022 down from 1.68% in 2021. (Ushkov, 2024) High tax rates on property and increasing property values would generally raise the cost of home ownership through increasing taxes and also increase the demand for loans.

Increased property values represent unrealized gains to Texans maintaining residency and Texas property values have seen an increase over the last 10 years (Texas Real Estate Research Center - Texas A&M University, 2024) largely outpacing both real and nominal wages. (US. Census Bureau, 2024)

Year	Homestead Exemption
< 1997	$5,000
1997	$15,000
2015	$25,000
2022	$40,000
2023	$100,000

Homestead exemptions are an important tool in mitigating the rise in taxes as they limit assessed value increases from year to year and exempt a portion of the property's taxable value. Texas voters have amended the Texas Constitution four times in the last 27 years increasing the homestead exemption.

[2] Texas Tax Code §33.02

Property Tax Lending
Consolidated Volume Report
Calendar Year 2023

Loans Made Statistics	Residential	Non-Residential	Total
Number of Loans	7,642	1,177	9,219
Amount of Loans	$114,390,538	$77,343,756	$191,734,294
Average Loan Amount	$14,969	$49,045	$20,798
Total Closing Costs	$5,795,371	$1,713,643	$7,509,014
Average Closing Costs	$758	$1,087	$815
Average Interest Rate	14.00%	13.14%	

Total Volume Statistics	
Number of Loans Receivable	28,269
Amount of Loans Receivable	$528,858,721
Number of Loans 90+ Delinquent	6,187
Amount of Loans 90+ Delinquent	$165,322,824
Number of Foreclosures	146
Amount of Foreclosures	$2,848,698

Number of Companies Reporting: 64

Data as of 5/22/2024

Pawn Loans (371)

Overview

A pawnshop offers short-term credit to customers (pledgors) who pledge their tangible personal property as collateral for a cash advance. This is the only type of consumer loan that involves a possessory interest where the pledgor relinquishes use of the security during the life of the loan.

Most pawnshops are storefronts in high-traffic areas. Depending on the wait in the pawnshop, the customer could expect to receive the cash proceeds in a matter of minutes.

Type of Customer

A pawn loan is strictly an asset-backed loan and no credit application is required. The pledgor is not required to have a job or the ability to repay the loan. The only eligibility requirements are:

1. Age 18 or over
2. Proper form of Identification
3. Legal right to possess and pledge the goods

Typical Rates

The maximum allowable rates for pawn loans are determined by statute. Most pawnshops charge the maximum rates with occasional promotional offers. The current maximum rates are as follows:

Allowable Charges*	240% for loans up to $264
	180% for loans up to $1,760
	30% for loans for up to $2,640
	12% for loans up to $22,000
Loan Terms	Cannot exceed one month
	Minimum additional 30-day grace period
	May be renewed or extended
	No personal liability for pledgor

*Finance charge brackets and maximum effective rates as of July 1, 2024. Rates adjust each July 1 based upon the Consumer Price Index.

Default

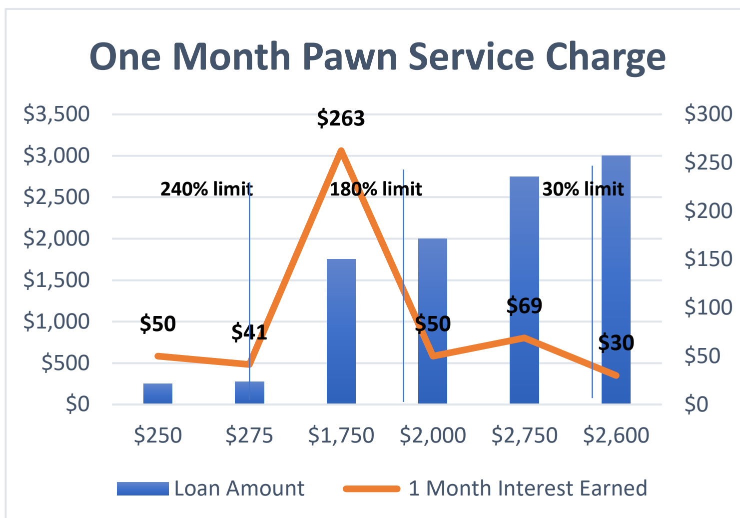
To reclaim possession of the pledged goods the pledgor must repay the entire loan. If the customer does not redeem pledged items at the end of the loan term those items may then become part of the pawnshop's inventory and are offered for sale to the public. In the event of forfeiture, the pledgor has no further obligations and the pawnshop is prohibited from seeking a deficiency, filing suit, or reporting the default of the loan on the pledgor's credit history.

Alternatives

Generally, pawn loans have the least restrictive eligibility and almost anyone could choose to become a customer. The most direct alternative would be selling the secured goods to a pawnshop, a consignment shop, or a private party. If the customer qualifies, a small consumer loan (342-F) secured by personal property could be less expensive.

Factors Affecting the Pawn Loan Amount

In Texas, there are additional factors affecting the amount loaned on items due to the allowable rate structure. When prices rise consumers may seek to borrow more and in the case of a pawn loan their collateral for the loan could also be worth more. Pawn rates are tied to the amount loaned on each pawn ticket and the overall rates decrease when predetermined loan amount are exceeded. Those loan amounts are computed every year according to inflation and have risen approximately 20% from 2020 to 2024.



Example Item	Loan Amount	1 Month Interest Earned
Power Tools	$250	$50
	$275	$41
Gold Jewelry	$1,750	$263
	$2,000	$50
Motorcycle	$2,750	$69
	$3,000	$30

The One Month Pawn Service Charge graph illustrates three examples of similar loan amounts and how the pawn service charge declines after the loan amount surpasses the next rate threshold. The hypothetical decision on how much to loan on an item is influenced by the maximum interest that a pawnbroker can earn. The largest difference is seen at the rate ceiling between 15% (180% APR) and 2.5% (30% APR) per month which currently occurs at $1,760. Despite the fact that the consumer desires a larger loan, the consumer may be artificially limited to a loan size due to the structure of the pawn service charge rate brackets.

Pawn Industry Consolidated Volume Report by Calendar Year

Loans Made	Number of Loans	Dollar Value of Loans	Average Loan
2023	5,390,900	$1,074,790,231	$199
2022	5,752,850	$982,305,520	$171
2021	5,041,993	$875,583,904	$174

Loans Outstanding	Number of Loans	Dollar Value of Loans	Average Loan
2023	1,353,677	$346,240,176	$256
2022	1,265,258	$282,908,435	$224
2021	1,277,783	$252,223,573	$197

Number of Companies Reporting in CY 2023: 1,358

Number of Companies Reporting in CY 2022: 1,352

Number of Companies Reporting in CY 2021: 1,382

Credit Access Businesses (Payday and Title Loans) Chapter 393

Overview

Credit access businesses (CABs) obtain credit for a consumer from an independent third-party lender in the form of a deferred presentment transaction or a motor vehicle title loan, more commonly referred to as "payday loans" or "title loans." In Texas, the actual third-party lender is not licensed; rather, the credit access business that serves as the broker is the licensee in this regulated industry.

Credit access businesses charge a fee to the consumer for obtaining a third-party loan. Fees are usually calculated as a percentage of the loan amount, either paid at the inception of the loan or accrued daily while the loan is outstanding. All payments are made directly to the CAB, and the borrower will generally not have any direct contact with the lender. Normally, the CAB provides the borrower with a proceeds check issued from the lender's account. Borrowers can obtain these loans in high-traffic areas and increasingly online.

Type of Customer

Payday loan customers need an active bank account and lenders will advance money to the consumer based on the expectation that money is regularly deposited in that bank account. Title loan customers are required to have an unencumbered motor vehicle title to offer as security. Both types of customers could have anywhere from average to poor credit scores and choose these loans out of convenience or eligibility reasons.

Typical Rates

The majority of the loan cost is not capped. Fees charged to borrowers by the CAB typically depend on the amount of the loan and the length of the term. CAB agreement terms are limited to 180 days or less. The entire loan may be due in a matter of days, or the loan may be due over several equal payments. Refinancing or renewing payday and title loans is very common and can add to the cost.

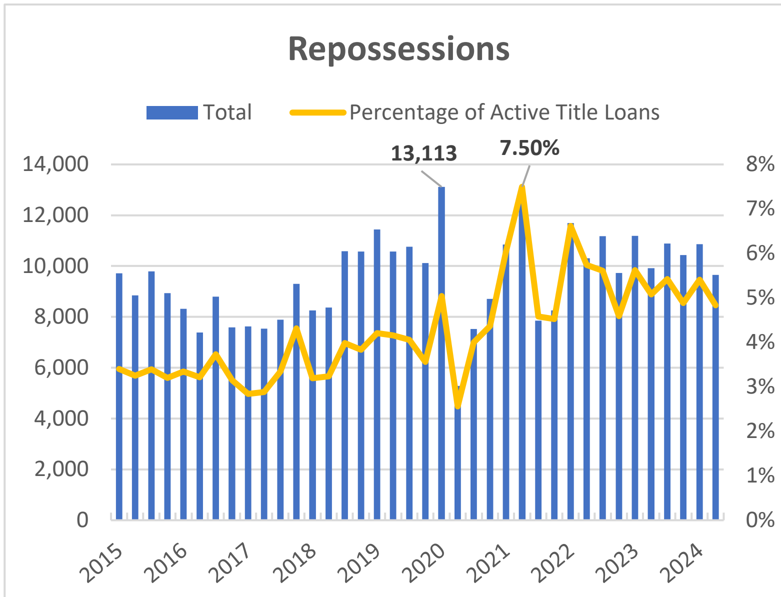
Allowable Charges	Fees charged by broker are uncapped (lender interest is 10% or less)
	APR can exceed 400%
	Late charge is 5% of payment or $7.50 (whichever greater). Late charges may be assessed 10 days after the due date.
	Filing fees and non-sufficient fund fees
	Consumer may have the option to purchase insurance or motor club memberships
Loan Terms	No maximum loan amount (typically $400 - $1,200)
	Loan terms range from 3 - 180 days
	Entire amount may be due in a single payment
	Prepayment allowed but fees may be non-refundable

Default

Borrowers utilizing title loans risk losing their motor vehicle to the lender or to the CAB. The loan is usually guaranteed by the CAB and the borrower will be pursued for the deficiency balance. Creditors may file suits against the borrower for non-payment and some may report the repayment history to consumer reporting agencies. A borrower may also face attorney fees, repossession fees, and court costs added to the loan balance.

The number of motor vehicle repossessions in the CAB industry is reported by quarter and has historically totaled between 8,000 to 12,000.

However, total repossessions in Q1 2020 peaked at about 13,100. This number then fell significantly in Q2 2020 as lenders worked with borrowers at the height of the coronavirus pandemic. Many people lost their jobs; however federal stimulus and loan forbearance played a large role in limiting Q2 repossessions. In the last several years, the total number of reported repossessions has stabilized around 10,000 per quarter, while the percentage of active title loans ending in repossession remains elevated above historical norms.



Alternatives

Payday and title loan borrowers generally pay a high rate for their credit and may run into eligibility issues with other products. Possible alternatives are pawn loans, small installment loans, employer loans, or other competitive small-dollar loan products sometimes offered by credit unions or nonprofit organizations.

Data Limitations

CABs are a specific subset of a broader classification of businesses registered as Credit Service Organizations (CSOs) with the Texas Secretary of State. In 2019, the Attorney General of Texas opined that CSOs that are not CABs can still arrange extensions of credit for consumers so long as they are not deferred presentment transactions[3] or motor vehicle title loans. (Attorney General of Texas, 2019) CSOs that are not CABs might not: (1) obtain OCCC licenses, (2) receive OCCC compliance exams and (3) report transaction data to the OCCC.

[3] See Texas Finance Code §341.001(6) for definition

Credit Access Business (CAB) Annual Data Report, CY 2023

Data contained within the below summary represents aggregated statewide annual data reported by credit access businesses (CABs) ***as of 9/30/2024.*** *The OCCC reviewed the data for reasonableness. The OCCC continues to receive amended or corrected data submissions and periodic revisions are published when significant**.** The OCCC will request verification from the licensee of any data that is found to be questionable or unreasonable.*

Title 7, Section 83.5001 of the Texas Administrative Code requires CABs to file annual data reports with the Office of Consumer Credit Commissioner (OCCC) identifying loan activity associated with:

- single and installment deferred presentment (payday) loans, and
- single and installment auto title loans.

Data Limitations

Data provided by reporting CABs reflects location-level activity for the identified year. Each licensed location is treated as an individual reporting unit. If data was compiled from individual customers, it could produce different results.

The data presented in the following summary represents CAB submissions via electronic and manual reporting, to include any corrected data, of annual activity as of September 30, 2024.

Figure 9:

Item #	Item Description	Single Payment Deferred Presentment Transactions	Installment Deferred Presentment Transactions	Single Payment Auto Title Loans	Installment Title Loans
1	Number of extensions of consumer credit paid in full or otherwise closed for reduced payoff during 2023 that did not refinance.	113,229	113,229	113,229	113,229
2	Number of refinances of extensions of consumer credit before paid in full or otherwise closed for reduced payoff in the report year.[4]				
2A	Refinancing 1 time	30,337	56,429	1,053	6,421
2B	Refinancing 2-4 times	37,013	34,575	8,307	9,164
2C	Refinancing 5-6 times	3,140	3,622	3,797	1,058
2D	Refinancing 7-10 times	2,441	2,173	4,968	668
2E	Refinancing more than 10 times	2,217	1,440	8,142	396
3	Total amount of CAB fees charged by the CAB on all CAB contracts during 2023.	$48,104,146	$1,270,791,720	$254,524,639	$274,285,799
4	Total number of extensions of consumer credit or refinances where the CAB repaid the third-party lender under a contractual obligation, guaranty, or letter of credit.	57,043	579,202	90,848	45,579

(Table continued on next page)

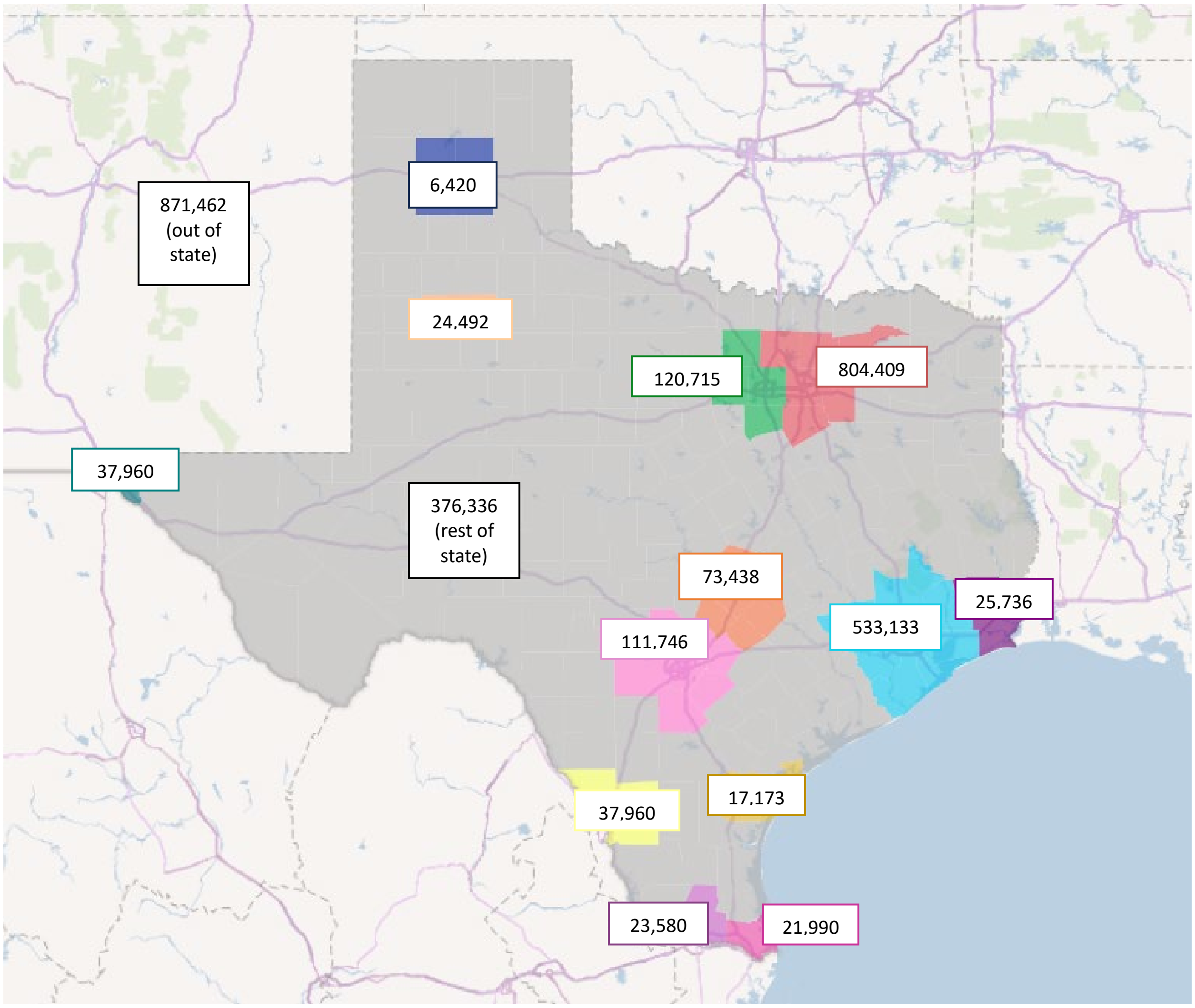
[4] Item 2 collects information on the number of times a loan was refinanced before it was ultimately paid off. Data includes all loans paid out in the calendar year that had been refinanced prior to being paid in full, regardless of when the loan was originated.

Item #	Item Description	Single Payment Deferred Presentment Transactions	Installment Deferred Presentment Transactions	Single Payment Auto Title Loans	Installment Title Loans
5	Number of consumers for whom the CAB obtained or assisted in obtaining an extension of consumer credit during 2023.	78,523	1,117,587	72,819	79,094
6	Total number of new extensions of consumer credit during the report year for each of the following loan ranges (cash advance amounts).				
6A	$0 - $250	62,626	279,934	11,717	2,946
6B	$251 - $500	88,806	468,424	25,162	13,898
6C	$501 - $750	26,134	240,911	18,068	10,973
6D	$751 - $1000	20,637	198,474	24,324	14,460
6E	$1001 - $1500	17,822	126,321	31,680	16,439
6F	$1501 - $2000	3,836	32,367	37,995	11,525
6G	$2,001 - $2,500	9	15,930	63,157	7,211
6H	$2,501 - $3,000	6	5,690	78,438	5,057
6I	$3,001 - $5,000	0	374	57,103	8,455
6J	$5,001 - $7,500	0	182	39,716	2,013
6K	Over $7,500	0	1	29,461	1,214
7	Total dollar amount of new extensions of consumer credit during the report year for each of the following loan ranges.				
7A	$0 - $250	$10,778,345	$44,181,840	$2,010,190	$551,676
7B	$251 - $500	$34,032,222	$186,981,132	$9,587,487	$5,773,796
7C	$501 - $750	$16,287,690	$154,695,967	$10,051,892	$6,915,774
7D	$751 - $1000	$18,861,006	$181,922,312	$17,274,451	$13,354,045
7E	$1001 - $1500	$23,465,025	$159,551,135	$25,396,997	$21,013,820
7F	$1501 - $2000	$7,180,226	$59,646,673	$23,747,131	$20,943,419
7G	$2,001 - $2,500	$20,237	$37,944,598	$16,556,262	$16,563,624
7H	$2,501 - $3,000	$17,320	$16,458,214	$18,469,426	$14,340,850
7I	$3,001 - $5,000	$0	$1,489,393	$35,931,087	$33,577,070
7J	$5,001 - $7,500	$0	$1,187,978	$22,503,938	$12,109,106
7K	Over $7,500	$0	$8,000	$23,095,379	$12,445,091
8	Total number of refinances on extensions of consumer credit originated in 2023.	112,447	240,984	189,929	39,007
9	Total dollar amount of extensions of consumer credit for 2023.	$110,642,136	$844,067,205	$204,655,739	$157,588,393
10	Total dollar amount of refinances for 2023.	$94,480,160	$378,549,980	$563,688,156	$121,032,171

Number of locations reporting activity in each category:	**341**	**534**	**606**	**559**

Total Number of Companies Reporting: 1,665

Number of CAB Transactions in 2023 by Locality



Data is cumulative obtained from 2023 CAB quarterly reports item 10f [*https://occc.texas.gov/publications/activity-reports*](https://occc.texas.gov/publications/activity-reports)

Motor Vehicle Sales Finance (348)

Overview

Many motor vehicle dealers offer financing directly at their dealership. These retail installment transactions involve two parties: (1) a retail seller and (2) a retail buyer. The retail installment contract is either immediately assigned to a separate holder or serviced by the selling dealer.

Franchised dealers are authorized to sell new cars and maintain an affiliation with a specific auto manufacturer. Financing arranged through a franchised dealership is usually assigned to a captive finance company of the manufacturer or an independent acceptance company. These dealers are usually found on frontage roads of major highways.

Independent dealers exclusively sell used cars. Financing is often in-house or referred to as “buy-here pay-here.” Size and location vary but many are very small businesses located throughout cities and towns.

Type of Customer

Franchised and independent dealers attract customers based on their type of inventory. A franchised customer is in the market for a new or certified pre-owned car, has disposable income to cover monthly payments, and has an average to great credit score. There is usually more underwriting involved at a dealer that assigns contracts than one that collects payments themselves. Buyers at franchised dealerships can often negotiate lower rates, sometimes as low as 0%. Independent dealers often do not perform credit checks and rely on current income or down payment affordability to underwrite the transaction.

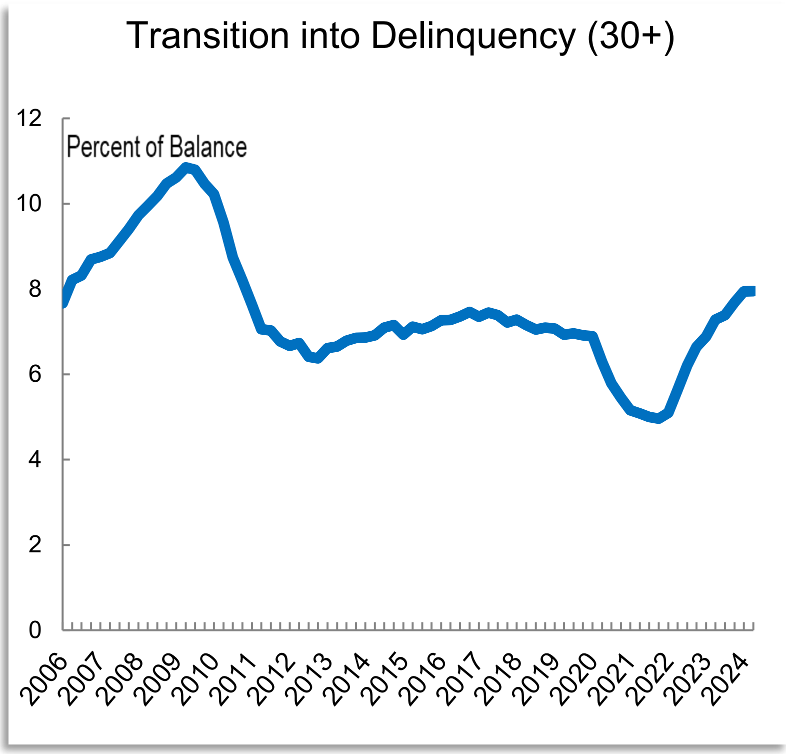
Typical Rates

The maximum allowable rates for motor vehicle sales finance are determined by statute as add-on rates (e.g. $15 of finance charge per $100 financed per year). Most dealerships convert the add-on rates to equivalent rates that depend on term of the contract and age of the vehicle.

Maximum Rates	18% for New Cars
	~ 18% for cars one to two years old
	~ 22% for cars three to four years old
	~ 26% for cars five years and older
Example Other Charges	5% late fee for payments more than 15 days late
	Actual government official fees for taxes, title, license, inspection
	Reasonable Documentary Fee ($225 or less is automatically considered reasonable)
	Ancillary products may be purchased
	Out-of-pocket expenses are required the for repossession of the vehicle

Default

A buyer risks repossession for late payment, failing to maintain insurance, filing for bankruptcy, or any other provisions of default as listed in the contract. In addition to losing the vehicle, a repossession can negatively impact a consumer's credit history. The buyer might be required to pay the entire amount owed and not just the past due amount to redeem their vehicle.



Source: New York Fed Consumer Credit Panel/Equifax

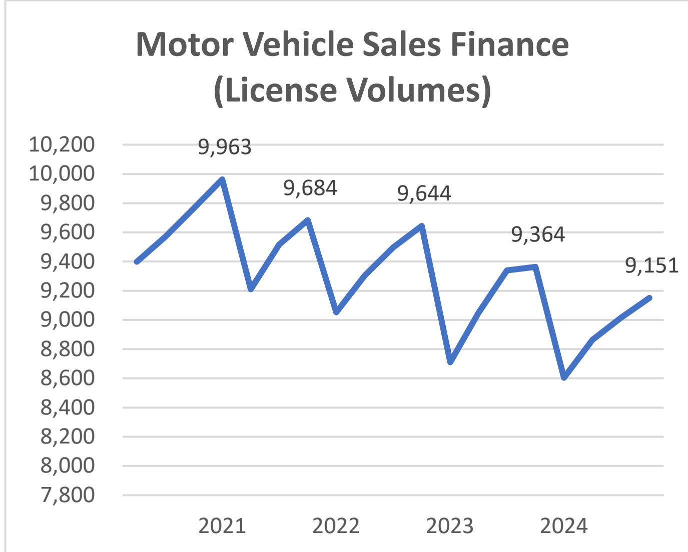
In 2024, auto loan delinquency rates have continued to rise, reflecting ongoing economic pressures. As of Q2 2024, the percentage of auto loans that are 30+ days delinquent stands at 7.95%, up from 7.69% in Q4 2023. This increase of 0.26% over two quarters highlights the financial strain many consumers are facing. Vehicle prices remain high, and despite some stabilization in interest rates, the overall cost of auto financing is still a significant burden for many Americans. The rising unaffordability of vehicles is contributing to the growing number of delinquencies, as more consumers struggle to keep up with their loan payments.

Alternatives

Instead of obtaining financing through a dealership, prospective buyers can first shop for car loans at banks and credit unions. If their application is approved by an outside financial institution, rates can then be negotiated at the dealership. If the buyer's outside financing is more favorable the buyer can provide the loan approval to the dealer for up to the approved amount.

Motor Vehicle Sales Industry Data

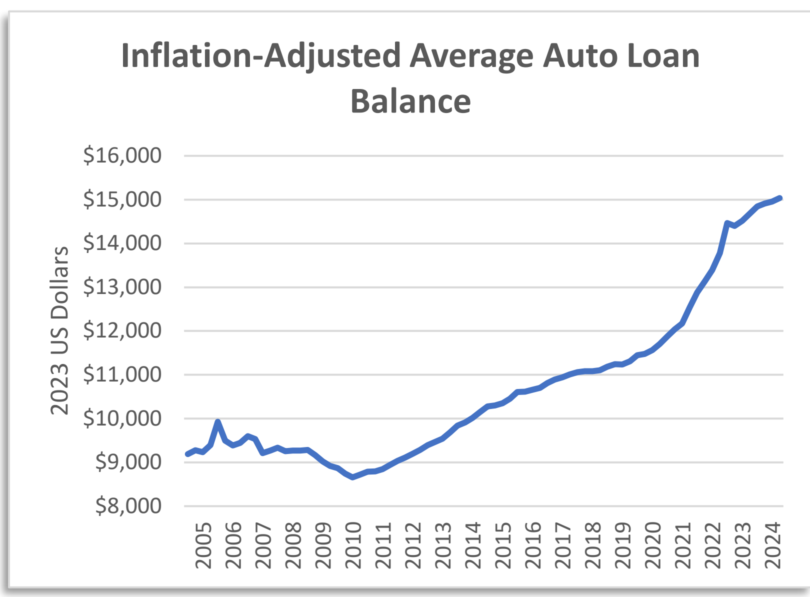
The OCCC does not currently collect annual report data from motor vehicle sales finance dealers who hold a chapter 348 license. Industry monitoring is primarily completed through complaints, examinations, stakeholder meetings, and changes in license levels. The highest licensing levels occur in Q4 of each fiscal year. The chart shows the peak licensing levels for the last five years. License volumes were steadily increasing before the COVID-19 pandemic but have been on a slight downward trend ever since.



National Trends

United States motor vehicle sales increased from 2009 to 2016, but rising vehicle prices may have capped consumer enthusiasm in the ensuing years. Seasonally adjusted sales stagnated from 2016 through 2019, with figures hovering around the 17-18 million vehicles range. In 2020, supply chain disruptions significantly impacted total vehicle sales. Today, total vehicle sales are on a steady upward trend to pre-pandemic levels.

Prices of both new and used vehicles today remain significantly elevated above historical norms. Additionally, interest rates have increased substantially as the Fed continues its efforts to combat inflation. This year, new car prices are still high, with the average transaction price around $48,397. However, used car prices have decreased significantly, with the average price now at $25,571.

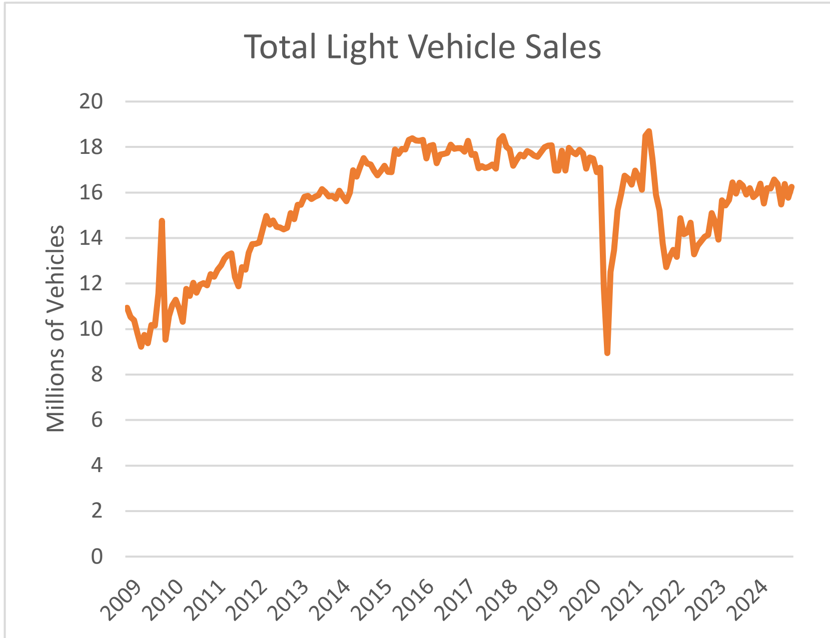


Average Auto Loan Amount

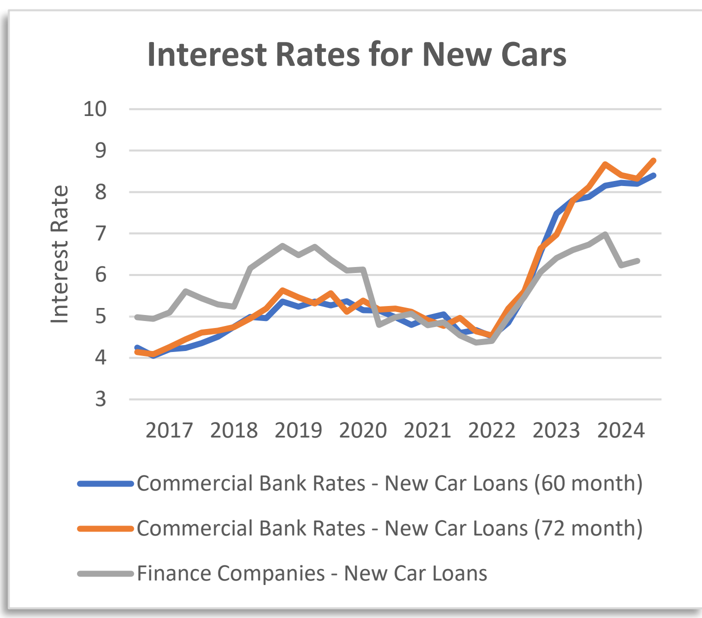
The average auto loan amount increased to $15,036 in 2024 Q2. When adjusting for inflation, the average auto loan balance is $1,860 higher than it was 10 years ago. Longer-term loans have contributed to this jump. This average represents the average loan balances remaining on the loan, not the amount of a brand-new loan.
(Federal Reserve Bank of New York, 2024)

Motor Vehicle Sales

Motor vehicle sales steadily increased following the great recession before stalling around 2015. Covid-related supply chain disruptions had a great effect on the number of motor vehicle sales in the first year following the pandemic. For the past couple of years, total vehicle sales have remained steady at around 16 million annually.

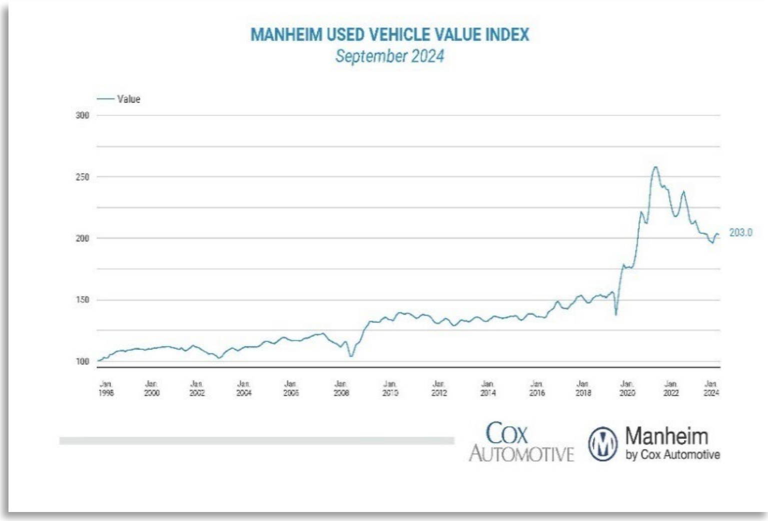


Interest Rates for New Cars



In 2024, interest rates for new car loans have continued to rise, reflecting ongoing economic adjustments. As of Q3 2024, the average interest rate for a 60-month new car loan from commercial banks stands at 8.40%, while the rate for a 72-month new car loan is 8.76%. Finance company loans have also seen an increase, with the average rate at 6.34% in Q2 2024. These elevated rates are a result of efforts to manage inflation and economic conditions. Despite the high interest rates, vehicle prices remain robust, indicating sustained demand in the auto market. (Board of Governors of the Federal Reserve System, 2023)

Used Vehicle Pricing



Wholesale used-vehicle prices (on a mix, mileage, and seasonally adjusted basis) were lower in October compared to September. The Manheim Used Vehicle Value Index dropped to 202.8, down 3.2% from a year ago. (Manheim, 2024) Car prices are still elevated far above historical norms and are likely to remain elevated for the foreseeable future, but the sharp decline in the data indicates a correction of the market that could continue for several more months.

Current Outlook of Motor Vehicle Sales

The current economic conditions present their own challenges for car sales. Consumers are looking at new car prices that are approaching average income, with loan terms are lengthening, and interest rates remain elevated. Between 2018 and 2022, 11.6% of customers financed negative equity into their car purchases. These customers were 50% more likely to experience a repossession within two years. Steep increases in car prices after 2020 coupled with a decrease in used car values from their peak may lead to more issues involving negative equity on trade-ins in the future. (Consumer Financial Protection Bureau, 2024)

Emergency, Unexpected, or Planned Credit

Since 2013, the Federal Reserve has conducted surveys on how likely an American adult would pay for an unexpected $400 expense with cash or its equivalents. In 2023, 63% of adults reported they *would* cover the $400 expense with cash or its equivalents but 68% said they *could* cover a $500+ expense with cash. Indicating some level of discretionary borrowing occurs even with minor expenses.

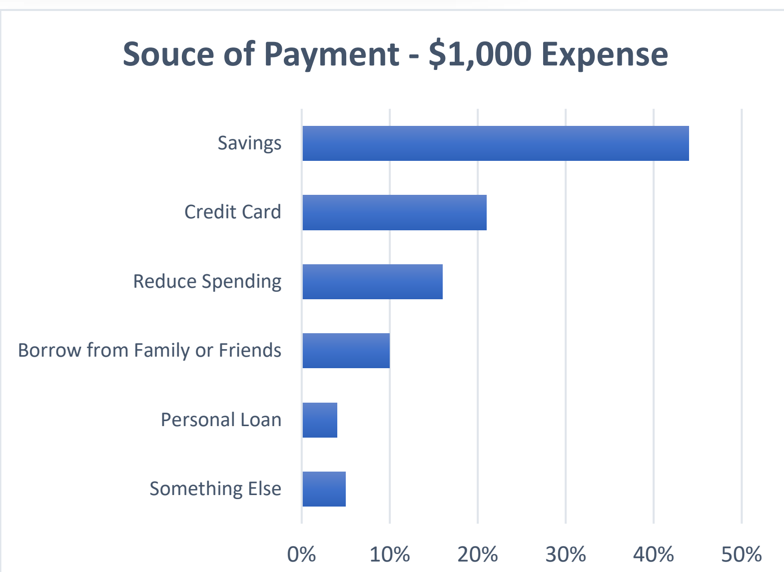
Actions taken in response to higher prices in the prior 12 months (by year)
Percent

Action	2022	2023
Spending		
Switched to cheaper products	64	62
Used less or stopped using products	66	61
Delayed a major purchase	49	48
Saving/borrowing		
Reduced savings	51	45
Increased borrowing	15	15
Income		
Worked more or got another job	18	18
Asked for a raise	8	9
Took any action	**83**	**79**

Note: Among all adults. Respondents could select multiple answers.

In addition to one-time emergency expenses, inflationary prices have strained personal budgets. Changes in prices have 65% of adults reporting that it has made their financial condition worse.

Substituting cheaper products was the most common response in the Federal Reserve Survey but 15% of adults also reported they increased their borrowing in response to higher prices. (Board of Governors of the Federal Reserve System)



According to a 2024 Bankrate emergency savings survey, only 44% of U.S. adults could cover a $1,000 expense using personal savings. (Gillespie & Rubloff, 2024) In this survey 35% of adults answered they would need to rely on an existing credit card or take out a new loan, underscoring the importance of credit access.

Loan Comparisons – Examples of Pricing and Restrictions

The OCCC licenses five types of loans a consumer might turn to in the case of an unexpected $1,000 - $2000 expense.

FEATURES	342-E	342-F	371	393 Title*	393 Payday*
	Large Installment	Small Installment	Pawn	CAB Title	CAB Payday
Average Loan Amount	$5,102	$866	$199	$1,392	$507
Typical Term in Months[5]	36-60	12-24	1-3	29 days	19 days
Hypothetical Example Loan Amount[6]	$1,700	$1,700	$1,700	$1,700	$1,700
Example Term	*One Year*				
Example APR[7]	42%	90%	180%	323%	537%
Example Payment[8]	12 pmts $176	12 pmts $220	11 pmts $255 1 pmt $1,989	11 pmts $436 1 pmt $2,136	18 pmts $475 1 pmt $2,175
Example Finance Charge	$412	$940	$3,094	$5,232	$9,025
Security Required			Personal Property	Car Title	Check or ACH
Consumer Protections					
Ability to Repay Analysis	✓	✓			
Prepayment Penalty	✓	✓			
Additional Fees limited	✓	✓	✓		
Refund of Unearned Finance Charge Required	✓	✓	✓		
Contracts are Required to be written in plain	✓	✓	✓		
Eligible to Military[9]	✓				
No other fees or products allowed (e.g. credit		✓	✓		

**Note on CAB Products: Transactions are limited to a maximum term of 180 days (TFC §393.201(b)(2)), though they can be refinanced. Installment CAB transactions typically have average terms of 4 months for payday loans and 5 months for title loans. Based on average reported fee data, installment APRs may vary depending on the loan structure. For example, non-amortizing installment title loans may have average APRs of 272%, while fully amortizing installment payday loans may have average APRs of 488%.*

This comparison focuses on single-payment CAB transactions, where the accrued finance charge is paid at each due date, and the loan is refinanced repeatedly until fully paid off in one year.

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5 Pawn loans are limited to one-month terms with a minimum additional 30 days of grace; however, they can be extended or renewed by paying accrued finance charge. CAB transactions are limited to 180-day terms; displayed term is the average reported in Q2 data reports of 2024 to OCCC.

6 Average emergency expense identified in "The Paycheck-To-Paycheck Report: The Emergency Spending Edition" conducted by LendingClub.

7 CAB APR is estimated from average fees reported to the OCCC in 2024 Q2 Data reports of single payment transactions. Other examples assume legal limits of fees and interest. (https://occc.texas.gov/publications/activity-reports)

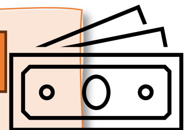
8 Pawn payments assume extension fees are paid every month. CAB payments single payment transactions refinanced each term due date (19 and 29 days) with only accrued finance charge paid until payoff. Payments rounded to whole dollars.

9 10 U.S. Code §987 restricts loan terms to members of the military including a "all-in" APR limit of 36%. Not all 342-E loans are eligible but are the most likely option.

Emerging Products and Innovation

The OCCC is monitoring several emerging financial products. New products can contain possible benefits and expanded access to customers but also possess some regulatory uncertainty. If the products or providers don't perform then the customer risks having few options to turn to for corrective assistance. Two innovative products are currently seeing attention at the federal level.

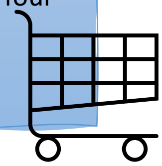
Earned Wage Access



- Early access to wages earned but not yet paid
- Offered directly to consumers or through employers

Buy Now, Pay Later

- Available at checkout in stores or online
- Typically repaid in four installments



Earned Wage Access – Developments

A Consumer Financial Protection Bureau (CFPB) study published in 2024 found that number of earned wage transactions nearly doubled from 2021 to 2022, about 90% of transactions contained some fee, and that the average employee user had 27 transactions per year. (Consumer Financial Protection Bureau, 2024). On July 18, 2024, the CFPB issued a proposal for interpretive rule that explains that many types of Earned Wage products are consumer loans subject to the Truth in Lending Act, many of the fees associated meet the standard to be classified as finance charges, and borrowers are entitled to appropriate disclosures. Comments for the proposed interpretive rule were due by August 30, 2024.

Buy Now, Pay Later – Developments

On May 22, 2024, the CFPB issued an interpretive rule classifying Buy Now, Pay Later (BNPL) lenders as credit card providers. This classification requires lenders to (1) investigate disputes that consumers initiate, (2) refund returned products or cancelled services to consumers' accounts, and (3) provide periodic billing statements. (Consumer Financial Protection Bureau, 2024) In September 2024, the CFPB provided additional guidance that clarified what covered BNPL loans are subject to the interpretive rule (e.g. payable in four installments). In October 2024, the CFPB was sued by a financial trade association to prevent the BNPL interpretive rule from taking effect. (ABA Banking Journal, 2024)

Financial Education

The OCCC continually partners with community organizations, educational institutions, and financial experts to broaden the scope and impact of its financial literacy programs. The OCCC believes that consumers who receive financial guidance are better able to manage their personal finances and more likely to reach their economic goals. During Fiscal Year 2024, the OCCC successfully exceeded its financial education goals for Texans. Through strategic collaborations with various entities across the state, the OCCC delivered comprehensive financial education services to 1,018 participants.

The Texas Financial Education Endowment (TFEE) Grant is administered by the OCCC. This grant was created to support statewide capability and consumer credit-building activities. TFEE funds are awarded to organizations that implement school and youth based financial education, adult financial education and capability, and financial coaching. The 2022-2023 TFEE grant served 25,923 Texans with over 36,000 direct contact hours. This grant cycle disbursed $398,715 in funds.

The TFEE grant awarded 10 organizations an aggregate amount of $735,700 in funds for program activities related to the 2024-2025 grant cycle. During the first reporting period (January 1, 2024 – June 30, 2024), grant funds were used to provide more than 2,000 hours of direct financial education training to over 1,900 Texas consumers through group presentations and one-on-one financial coaching sessions.

Avoiding Financial Exploitation

The OCCC routinely provides consumer outreach to assist Texans understand and avoid financial exploitation. Through various outreach programs, the OCCC works to ensure that consumers stay informed and educate themselves about common scams. Knowledge is the first and best defense against financial exploitation. Safeguarding personal information, keeping financial details confidential, reporting instances of fraud or scams, and being vigilant is of the utmost importance. With the increase of technologically advanced and convincing scams, consumers who stay vigilant and proactive significantly reduce the risk of falling victim to financial fraud.

Distribution of Licensed Locations by Zip Code

It is common for similar business lines to cluster together (e.g. Car Dealers, Restaurants, Furniture Stores, Pharmacies) (Becher, 2012). The linear correlation of different license types located within zip codes is presented below. Using the Pearson Product-Moment Correlation (based on all Texas zip codes with at least two license types) the correlation of any two license types produces a value between -1 and 1. A value near zero indicates there is no correlation, while a value of positive 1 indicates that two variables move in a linear fashion (Lund Research Ltd, 2019) For example, a zip code that contains the most credit access businesses would also contain the most 342-F lenders.

License Type	*348*	*351*	*371*	*393*	*342-E*	*342-F*	*342-G/A6*
348	1.00						
351	0.00	1.00					
371	0.53	-0.01	1.00				
393	0.38	-0.04	0.55	1.00			
342-E	0.29	0.03	0.30	0.39	1.00		
342-F	0.31	-0.04	0.48	0.49	0.30	1.00	
342-G/A6	0.00	0.02	0.01	0.02	0.05	0.00	1.00

Excluding motor vehicle sales finance licenses, the industries that share the largest positive correlation are 393 (credit access businesses), 371 (pawnshops), and 342-F (small installment lenders).

Industries and Correlations
393 and 371 (0.55)
393 and 342-F (0.49)
371 and 342-F (0.48)

Zip codes that contain the most OCCC licenses

The distribution of active and inactive licensed locations in the top 30 zip codes (ranked by total number of licenses) is provided in the next table. The table shows the number of licensed locations with their primary business designation. They are ordered from left to right: Motor Vehicle Sales Finance (348), Property Tax Loans (351), Pawn Loans (371), Credit Access Businesses (393), Personal Installment Loans (342-E), Small Consumer Loans (342-F), and real property related Secondary Mortgage Loans (342-G) & Home Equity Loans (A6). Data is valid as of 11/04/2024.

The US Census Bureau's American Community Survey obtained demographic information about each zip code with estimates derived from US census data. (US Census Bureau, 2024) Estimated population and median household income are presented by zip code.

	Zip	Population	Median Household Income	Location	348	351	371	393	342-E	342-F	342-G/A6	Grand Total
1	78501	59,954	$47,809	McAllen	70	1	7	14	5	28	0	125
2	79915	36,737	$35,278	El Paso	97	0	5	4	1	7	0	114
3	78521	87,040	$38,633	Brownsville	77	0	9	7	3	18	0	114
4	75211	73,948	$53,614	SW Dallas	95	0	3	3	4	3	0	108
5	77037	17,585	$47,381	N-Houston/Adeline	93	0	6	3	3	0	0	105
6	75217	87,154	$49,841	SE Dallas	88	0	6	3	1	2	0	100
7	75229	32,885	$117,083	NW Dallas	98	0	1	0	1	0	0	100
8	78572	76,753	$50,562	McAllen	56	0	4	7	7	18	0	92
9	78577	79,496	$44,871	Pharr	60	0	5	3	1	18	1	88
10	75050	43,856	$68,421	Grand Prairie	75	0	3	3	1	2	0	84
11	76011	22,529	$50,200	Arlington	71	0	4	4	1	1	0	81
12	75041	31,344	$62,744	NE Dallas	67	0	4	0	2	2	0	75
13	78550	54,441	$46,341	Harlingen	30	0	5	11	6	22	0	74
14	77063	39,554	$51,899	West Houston	65	0	4	4	0	0	0	73
15	78041	47,594	$61,696	Laredo	43	0	5	8	3	11	0	70
16	78852	56,745	$48,911	Eagle Pass	42	0	4	2	3	18	0	69
17	76117	32,692	$49,782	NE Fort Worth	57	0	6	2	2	1	0	68
18	78415	42,831	$51,970	South Corpus Christi	38	0	5	4	1	18	0	66
19	78221	40,272	$57,209	South San Antonio	24	0	6	8	4	23	0	65
20	77055	43,362	$69,743	Spring Branch Houston	50	0	6	3	2	4	0	65
21	78043	44,443	$54,816	Laredo	36	0	6	4	4	13	0	63
22	77074	38,624	$48,196	San Antonio	58	0	2	1	0	0	0	61
23	78520	62,344	$45,093	Brownsville	31	0	7	2	5	16	0	61
24	78201	45,355	$40,356	San Antonio	24	0	7	9	2	18	0	60
25	75702	27,775	$48,485	Tyler	31	0	6	7	1	14	0	59
26	78040	36,727	$33,819	Laredo	36	0	7	3	1	12	0	59
27	75901	28,257	$59,350	Lufkin	40	0	3	8	1	7	0	59
28	75220	40,327	$56,849	Dallas	44	0	5	3	2	3	0	57
29	79925	40,001	$55,357	El Paso	41	0	2	3	5	6	0	57
30	76116	49,232	$50,982	Ft Worth	43	0	4	4	2	3	0	56
				Top 30 Zip Totals	1,680	1	147	137	74	288	1	2,328
				Remainder of Texas	7,160	71	1,021	1,175	645	1,433	50	11,555
				Out of State	303	8	2	50	278	121	149	911
				All Licenses	9,143	80	1,170	1,362	997	1,842	200	14,794

Economic Reports and Forecasts: State of Texas

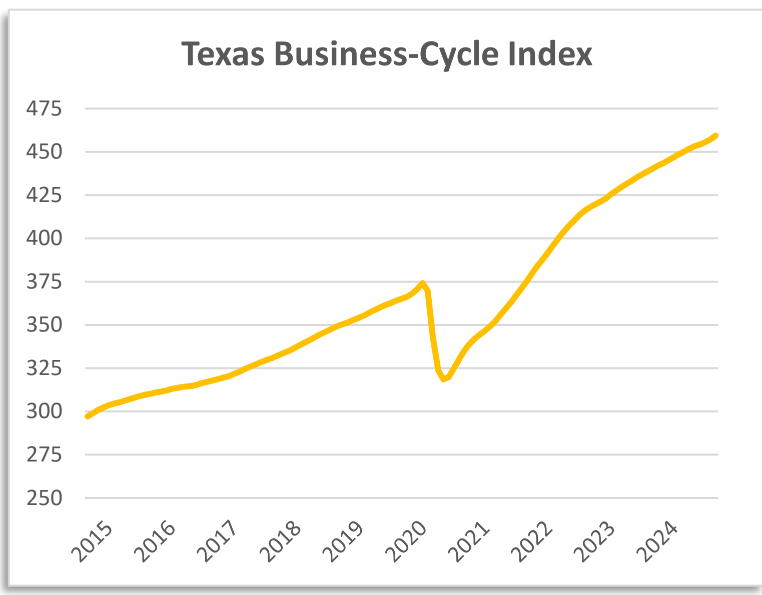
Overview

Overall, Texas's economic activity appears strong with job growth outpacing the nation as a whole and wages continuing to moderately increase. The three-month moving averages of sales tax collection is up 1% from the same period one year ago. Commercial and industrial loan volumes declined the most with residential reals estate loans increasing in a more favorable interest rate environment. (Federal Reserve Bank of Dallas, 2024).

Texas economy dashboard (October 2024)			
Job Growth (annualized) June–Sept. '24	Unemployment Rate	Avg. Hourly Earnings	Avg. Hourly Earnings Growth y/y
2.9%	4.1%	$33.34	4.1%

Texas Business-Cycle Index

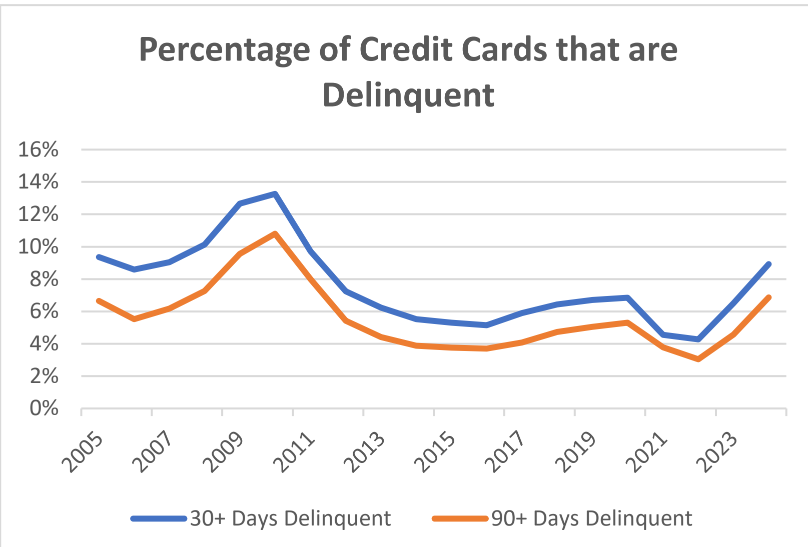
In 2024, the Texas Business Cycle Index continues to provide insights into the state's economic health. After a significant recovery from the 2020 downturn, the index has shown steady growth. As of August 2024, the index stands at 459.4, up from 440.4 a year ago. This increase reflects ongoing economic expansion and stability in Texas, indicating a return to normalcy and confidence in future economic conditions. (Federal Reserve Bank of Dallas, 2024)



National Credit Trends

Overview

The July 2024 Senior Loan Officer Opinion Survey on Bank Lending Practices reported tighter lending standards and unchanged demand for commercial and industrial loans to firms of all sizes. Banks also tightened standards and saw weaker demand for all commercial real estate loan categories. For households, lending standards remained mostly unchanged, but demand weakened across all residential real estate loans. Credit card and other consumer loans saw tighter standards, while auto loan standards remained unchanged. Overall, banks reported tighter lending standards for most loan categories compared to the first quarter, but the extent of tightening was less pronounced. (Board of Governors of the Federal Reserve System, 2024)

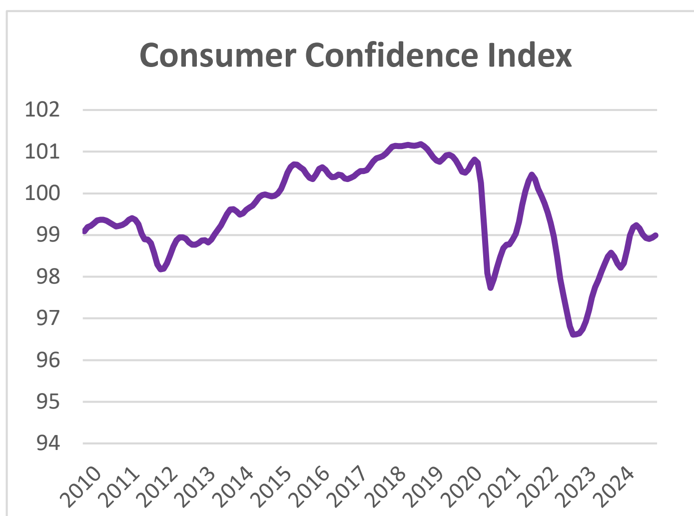


Delinquencies

Since the pandemic, credit card delinquencies have risen but remain below delinquency rates seen during the last recession. Both 30-day and 90-day delinquencies are higher than they were last year.

Consumer Confidence Index

As of Q3 2024, the Consumer Confidence Index stands at 99, indicating a slight decline from the previous year. This drop suggests a cautious outlook among consumers, influenced by persistent inflation and elevated interest rates. Values below 100 signal a more pessimistic view of future economic conditions, potentially leading to increased saving and reduced spending over the next 12 months. (Organisation for Economic Co-operation and Development, 2024)



OECD (2024), "Consumer confidence index (CCI)" (indicator), https://doi.org/10.1787/46434d78-en (accessed on 28 October 2024).

Reporting Requirements

The report has been prepared in response to and fulfills certain statutory and administrative regulation requirements.[10]

Texas Finance Code, Sec. 11.305. Research

(a) The consumer credit commissioner shall establish a program to address alternatives to high-cost lending in this state. The program shall:

(1) study and report on high-cost lending, including the availability, quality, and prices of financial services offered in this state to individual consumers in this state; and

(2) evaluate alternatives to high-cost lending and the practices of business entities in this state that provide financial services to individual consumers in this state.

(b) The program may:

(1) apply for and receive public and private grants and gifts to conduct the research authorized by this section;

(2) contract with public and private entities to carry out studies and analyses under this section;

(3) provide funding for pilot programs, and

(4) make grants to nonprofit institutions working to provide alternatives to high-cost loans.

(c) Not later than December 1 of each year, the consumer credit commissioner shall provide to the legislature a report detailing its findings and making recommendations to improve the availability, quality, and prices of financial services.

[10] Texas Finance Code §351.164
Texas Finance Code §342.559
7 Texas Administrative Code §85.502

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