

OCCC CASE NO. L25-023

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NO.: 11042	§	OFFICE OF CONSUMER
ACTION FINANCE, INC.	§	
1709 W. FRONT ST.	§	CREDIT COMMISSIONER
TYLER, TEXAS 75702	§	
	§	STATE OF TEXAS

ORDER DISAPPROVING PLAIN LANGUAGE CONTRACT SUBMISSION

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order Disapproving Plain Language Contract Submission against Action Finance, Inc. (“Action Finance”).¹

Statement of Facts and Law

Chapter 341 of the Texas Finance Code requires loan contracts entered under Chapter 342 of the Texas Finance Code to be written in plain language designed to be easily understood by the average consumer.² A creditor must use either a model contract adopted by rule of the Finance Commission of Texas or a contract that the creditor has submitted to the OCCC for plain language review.³ Non-standard contracts submitted to the OCCC must be printed in an easily readable type size, must be consistent with Texas law and federal law, must include a notice with the OCCC’s contact information, and must not exceed a maximum Flesch-Kincaid grade level score.⁴ The loan contract’s text outside of the federal disclosure boxes must be at least as large as 8 points in the Times New Roman typeface.⁵

In May 2024, Action Finance submitted a loan contract for plain language review. The submission form reflects that the contract’s form number is TXLLC43.123 and that the contract is intended to be used under Chapter 342, Subchapter F of the Texas Finance Code. Action Finance stated on its submission form that the size of the loan contract’s text is 8 points. An OCCC examiner reviewed the submitted

¹ Tex. Fin. Code §§ 14.208, 341.502.

² Tex. Fin. Code § 341.502(a).

³ Tex. Fin. Code § 341.502(b)-(c).

⁴ 7 Tex. Admin. Code § 90.104(a)(1)-(5).

⁵ 7 Tex. Admin. Code § 90.103(d).

loan contract and found that portions of the contract's text other than the federal disclosure boxes are in a 7-point size.

The loan contract submitted by Action Finance includes provisions that are not at least as large as 8 points in Times New Roman. Therefore, Action Finance's loan contract is not printed in an easily readable type size, and does not comply with Section 341.502 of the Texas Finance Code and its implementing rules.

Authority

If the Consumer Credit Commissioner ("Commissioner") determines that a plain language contract does not comply with Section 341.502 of the Texas Finance Code or its implementing rules, then the Commissioner shall issue an order disapproving the contract.⁶ If the Commissioner issues an order disapproving a contract, a person may not use the contract after the order takes effect.⁷

The Commissioner has determined that the loan contract submitted by Action Finance does not comply with Section 341.502 of the Texas Finance Code and its implementing rules. For this reason, the Commissioner issues this Order.

Order

IT IS ORDERED that:

1. The plain language contract submitted by Action Finance, form number TXLLC43.123, is DISAPPROVED.
2. Action Finance must cease and desist using form number TXLLC43.123.
3. **No later than 30 days after the date of this Order**, Action Finance must provide the OCCC with a written statement acknowledging that Action Finance has ceased and desisted using the version of form number TXLLC43.123 that was submitted to the OCCC. Action Finance must send the written statement by email to audrey.spalding@occc.texas.gov.

⁶ Tex. Fin. Code § 341.502(c).

⁷ Tex. Fin. Code § 341.502(d).

Violation of Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 for each day.⁸

Right to Request Hearing

You have the right to request a hearing regarding this Order.⁹ To request a hearing, you must send a written hearing request to the OCCC no later than 30 days after the date of this Order.¹⁰ You must send your request to Audrey Spalding, Assistant General Counsel, by mail to 2601 N. Lamar Blvd., Austin, TX 78705, or by email to audrey.spalding@occc.texas.gov.

If you request a hearing, a hearing will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹¹ If you fail to request a hearing by this deadline, the Order will be considered final and enforceable.¹²

All communications with the OCCC concerning this matter must be through Audrey Spalding, Assistant General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, TX 78705, by telephone at 512-936-7659, or by email to audrey.spalding@occc.texas.gov.

Signed this 11th day of December, 2024.

/s/ Leslie Pettijohn
Leslie L. Pettijohn
Consumer Credit Commissioner
State of Texas

⁸ Tex. Fin. Code § 14.208(c).

⁹ Tex. Fin. Code § 14.208(b).

¹⁰ Tex. Fin. Code § 14.208(b).

¹¹ Tex. Fin. Code § 14.208(b).

¹² Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on December 11, 2024, a true and correct copy of this Order Disapproving Plain Language Contract Submission has been sent to Action Finance, Inc. by the following:

Action Finance, Inc.
Attn: Jeff Grojean, Compliance Officer
1709 W. Front St.
Tyler, TX 75702
homeoffice@actiontx.net

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
#9214 8901 9403 8300 0090 5765 90

Action Finance, Inc.
Attn: Jeffrey Scott Grojean,
Registered Agent
1058 County Road 3113
Jacksonville, TX 75766

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
#9214 8901 9403 8300 0090 5766 06

/s/ Audrey Spalding
Audrey Spalding
Assistant General Counsel
Office of Consumer Credit Commissioner
State Bar No. 24111055
2601 North Lamar Blvd.
Austin, Texas 78705
512-936-7659 (phone)
audrey.spalding@occc.texas.gov